

NIE 80/90-64

Communist Potentialities
in Latin America

19 August 1964

This page is intentionally left blank.

~~SECRET~~

2782

NIE 80/90-64

19 August 1964

1 SEP 1964

APPROVED FOR RELEASE
DATE FEB 2008

(b)(1)

(b)(3)

NATIONAL INTELLIGENCE ESTIMATE

NUMBER 80/90-64

Communist Potentialities in Latin America

Submitted by the
DIRECTOR OF CENTRAL INTELLIGENCE
Concurred in by the
UNITED STATES INTELLIGENCE BOARD
As indicated overleaf
19 AUGUST 1964

~~SECRET~~

~~SECRET~~

The following intelligence organizations participated in the preparation of this estimate:

The Central Intelligence Agency and the intelligence organizations of the Departments of State, Defense, NSA and FBI.

Concurring:

Director of Intelligence and Research, Department of State
Director, Defense Intelligence Agency
Director of the National Security Agency
Assistant Director, Federal Bureau of Investigation

Abstaining:

The Atomic Energy Commission Representative to the USIB, the subject being outside of his jurisdiction.

WARNING

This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited.

GROUP 1
Excluded from automatic
downgrading and
declassification

~~SECRET~~

~~SECRET~~

NATIONAL INTELLIGENCE ESTIMATE

NUMBER 80/90-64

Communist Potentialities in Latin America

~~SECRET~~

This page is intentionally left blank.

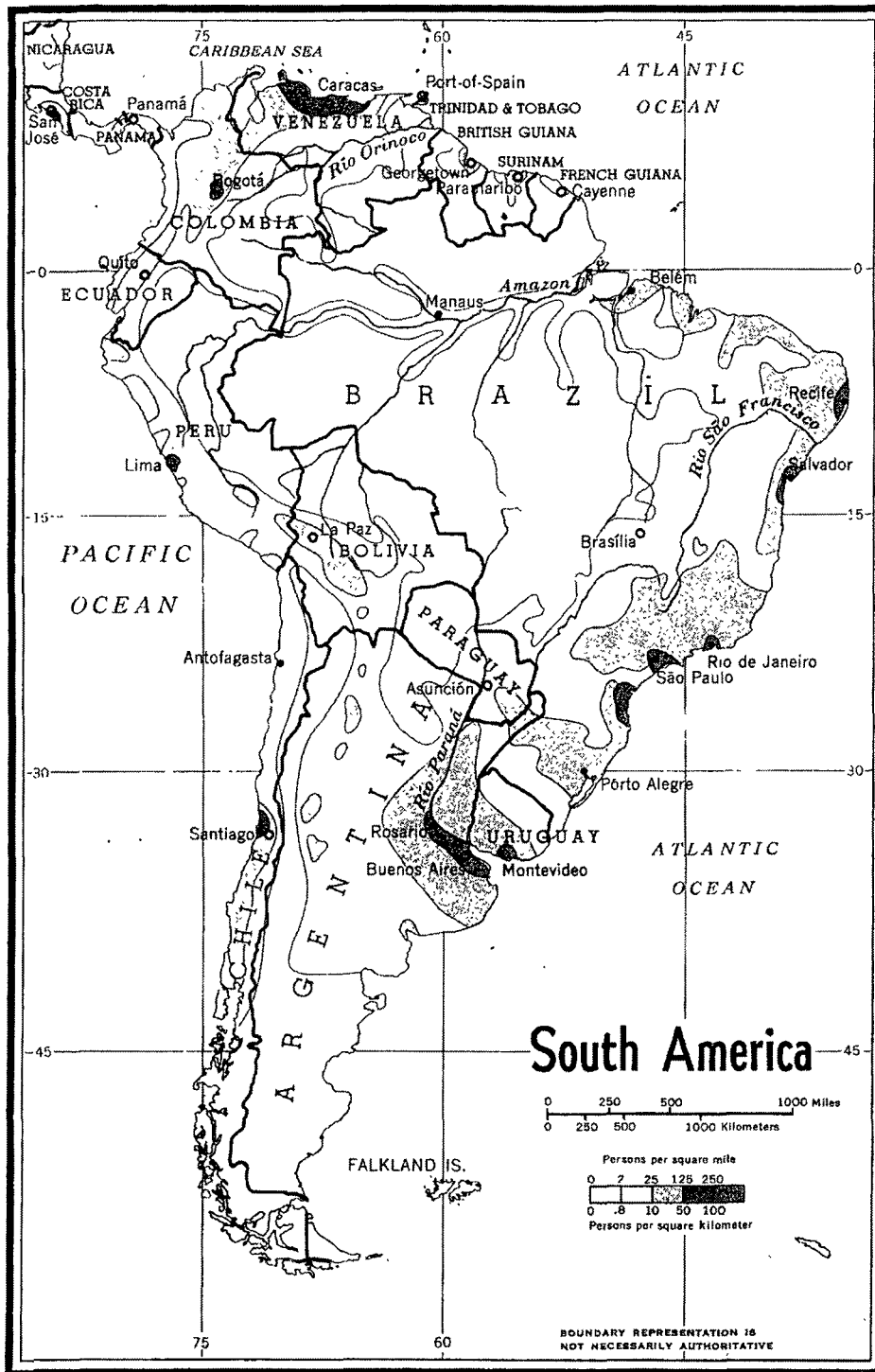
~~SECRET~~

TABLE OF CONTENTS

	<i>Page</i>
FOREWORD	1
THE ESTIMATE	1
ANNEX A: ARGENTINA	7
ANNEX B: BOLIVIA	12
ANNEX C: BRAZIL	16
ANNEX D: BRITISH GUIANA	22
ANNEX E: CHILE	27
ANNEX F: COLOMBIA	30
ANNEX G: COSTA RICA	36
ANNEX H: THE DOMINICAN REPUBLIC	38
ANNEX I: ECUADOR	42
ANNEX J: EL SALVADOR	46
ANNEX K: GUATEMALA	48
ANNEX L: HAITI	52
ANNEX M: HONDURAS	55
ANNEX N: MEXICO	58
ANNEX O: NICARAGUA	62
ANNEX P: PANAMA	64
ANNEX Q: PARAGUAY	67
ANNEX R: PERU	70
ANNEX S: SURINAM	74
ANNEX T: URUGUAY	76
ANNEX U: VENEZUELA	79

~~SECRET~~

This page is intentionally left blank.



39807 6-64



39806 6-64

~~SECRET~~

COMMUNIST POTENTIALITIES IN LATIN AMERICA

FOREWORD

The purpose of this estimate is to review, with respect to each Latin American country: ¹

(a) The internal conditions which favor or hinder Communist political or subversive activities.

(b) The strengths, capabilities, and policies of indigenous Communist elements, and the policies of their overseas patrons (the USSR, Communist China, or Cuba).

(c) The strengths and capabilities of the internal security forces.

These matters are reviewed in 21 annexes, each relating to one of the countries under consideration. These annexes are introduced by a summary estimate in general terms.

THE ESTIMATE

1. Each of the 21 countries under consideration has its own distinctive character and internal situation. Each is exceptional in some respect. The appropriate annex should therefore be consulted as regards the situation in any particular country.²

¹Excluding Cuba, but including British Guiana and Surinam. The current estimate with respect to Cuba is NIE 85-64, "The Situation and Prospects in Cuba," dated 5 August 1964.

²As an indication of the range of variation within the region, consider the following extreme cases:

Area (sq. mi.): Brazil, 3,300,000; El Salvador, 8,000.

Population: Brazil, 78,000,000; Surinam, 335,000.

Density: Haiti, 420 per sq. mi.; Surinam, 6.

Literacy: Uruguay, 88 percent; Haiti, 10 percent.

GNP: Brazil, \$14.4 billion; Surinam, \$101 million.

Per capita: Chile and Venezuela, over \$700; Haiti, \$71.

Three countries have predominantly white populations: Costa Rica (98%), Argentina (97%), and Uruguay (90%). Nine are predominantly *mestizo*: Paraguay (95%), Honduras (90%), Chile (88%), El Salvador (78%), Panama and Venezuela (70%), Nicaragua (68%), Colombia (57%), and Mexico (55%). Five have large, generally unassimilated Indian populations: Bolivia (55%), Guatemala (54%), Peru (50%), Ecuador (40%), and Mexico (30%). The Dominican Republic is predominantly mulatto (70%); Haiti is almost 100% Negro. The populations of Brazil, British Guiana, and Surinam are too variegated to permit classification in these terms.

~~SECRET~~

1

~~SECRET~~

2. Throughout Latin America there is a rising popular demand for radical change in existing conditions—economic, social, and political. The intensity of this demand varies from country to country and within most countries. Backwardness is not in itself a spur to revolution, but rising consciousness of deprivation is. Nowhere as yet is this demand explosive, but the longer it is frustrated and suppressed the more likely it is to become so. The direction that political change may take remains open. It could as well be democratic or Peronist³ as Communist. But everywhere the rising demand for change is accompanied by an intensification of nationalistic emotions. Because the predominant foreign presence in the region is that of the US, Latin America ultranationalism has a predominantly anti-Yankee character.

3. This situation manifestly offers a fertile field for Communist political and subversive activity. Communists have been working to exploit it for about 40 years. Their efforts have been hindered by countervailing factors, most notably by the ignorance and apathy of the masses, by the existence of strong non-Communist leftist movements in some countries, and by the strongly anti-Communist attitude of the military, who still exercise ultimate political authority in almost all countries.⁴ But the rising demand for revolutionary change, only partly a result of Communist agitation, will operate to ultimate Communist advantage—unless the Communists are forestalled by fundamental reforms carried out by strong and stable non-Communist regimes.

4. We doubt that present efforts to reform Latin American society will have any fundamental effect over the short run in most countries. Rapid population growth will continue to press upon the limited resources available for consumption and capital investment. Thus the pace of economic and social development is not likely to be rapid enough to satisfy the rising expectations of the masses. The unwillingness or inability of traditional political parties and institutions to provide effective remedies will continue to enhance the appeal of charismatic leaders disdainful of the slow pace of evolutionary

³That is, an authoritarian regime catering to nationalistic and working class interests.

⁴The anti-Communist attitude and effectiveness of the military have been most recently demonstrated in Venezuela and Brazil. But there is another side to this coin. In times not long past, such military figures as Arbenz, Batista, and Pérez Jiménez found it convenient to use known Communists in order to undermine democratic opposition, in some cases to longterm Communist advantage.

~~SECRET~~

~~SECRET~~

reform, and will afford the Communists recurrent opportunities to associate themselves with popular political and revolutionary movements.

5. Communism in Latin America is preponderantly an urban phenomenon. The Communists have made little impression on the rural masses, the bulk of the population, principally for want of contact and opportunity. In recent years, however, they have begun to make special efforts to reach and organize the peasantry, notably in Mexico, Peru, Chile, and Brazil.

6. Among the urban Communists there are two sorts with generally different characteristics: i.e., labor leaders and intellectuals. The Communist leaders with labor backgrounds tend to be older men, pragmatic, calculating (i.e., "opportunistic"), predisposed toward political organization and action reinforced by politically-motivated strikes and mass demonstrations. The Communist intellectuals, on the other hand, tend to be doctrinaire revolutionaries, at least verbally addicted to revolutionary violence, although they have little or no contact with the masses whom they would lead to revolution. This last consideration hardly deters the student element in this category, who tend to be highly "adventuristic."

7. In Latin America organized labor is composed largely of skilled workmen who enjoy a privileged status and are more interested in differentiating themselves from the masses than in leading the masses to revolution. This factor has limited the appeal of communism among industrial workers. By and large, the Communists have not been successful in their efforts to gain control of organized labor. Nevertheless, they have been able to gain strong influence or control in some unions, and to use this labor leadership to exert political influence, or to make expedient deals with power seekers or power holders. Often, however, Communist "control" of important labor organizations reflects only their skill in political machinations. In such cases they cannot rely on the rank-and-file to follow their lead when a direct economic interest is not evident.

8. The Communists' most striking success has been among middle class students and intellectuals. These are the people most acutely aware of the shortcomings of the societies in which they live and most impatient to transform them. They are well aware of the powers of resistance of the vested interests and consider existing democratic

~~SECRET~~

3

~~SECRET~~

institutions ineffectual as a means of achieving rapid and radical reform. They are attracted to communism by its promise to cut this Gordian Knot, and by the expectation of being able to play an important role in the new dispensation. Even the non-Communist intellectuals tend to think in terms of a Marxist analysis of the situation—i.e., to attribute national shortcomings to “feudal” class rule and to “Yankee imperialism.”

9. In many Latin American countries the Communists are much divided amongst themselves, by personal factionalism, ideological sectarianism, and disputes over tactics. From the beginning there has been a general division between those who would pursue a “hard” line—immediate revolutionary violence—and those who prefer a more expedient “soft” line—patient organization and agitation in preparation for an eventual revolution. A generation ago this difference was expressed in terms of Trotskyism and Stalinism. Trotskyist elements still survive in many Latin American countries. Nowadays, however, essentially the same difference tends to be defined in terms of the Sino-Soviet controversy, or of the influence of Fidel Castro.

10. For purposes of analysis, it is possible to distinguish between the attitudes of the USSR, Communist China, and Castroist Cuba toward revolution in Latin America, but the reservation must be made in advance that these distinctions are blurred in practice and are not universally applicable. The essential point is that Communist action in Latin America depends on the willingness of indigenous individuals to act, at whatever personal risk they are disposed to accept, and consequently on their own tactical and doctrinal predilections. The USSR, Communist China, and Cuba can incite, encourage, advise, and render some degree of clandestine aid from the outside; the decision to act, and in what manner, is local and personal. The CPSU does exercise a measure of control over the established Communist party organizations, but the “Chinese” and “Cuban” factions are merely obtaining ideological justification and material support where they can find it, for actions which they are moved to take for their own reasons. They are not under Chinese or Cuban control.

11. The Soviet leaders, and the Communist parties responsive to them, certainly desire to exploit every opportunity to impair US interests in Latin America and to reduce US influence there. To those ends they have worked to stimulate already existing tendencies

~~SECRET~~

toward anti-US nationalism and to identify the US with the unsatisfactory status quo. But the Soviets almost certainly regard the Latin American Communist parties as presently incapable of seizing and holding power in their respective countries—and as not surely subject to Soviet control if they should do so. Thus, in the Soviet view, Communist seizure of power in Latin America remains a distant objective, not a present potentiality. An intermediate Soviet objective is to facilitate the coming to power of nationalistic regimes disposed to turn to local Communists and to the USSR for support in their defiance of “Yankee imperialism.”

12. The Soviets generally prefer to pursue their objectives in Latin America by political means. On the international plane, this means Soviet cultivation of good relations with selected incumbent governments through offers of trade and aid, and Soviet encouragement of an independence in foreign policy verging toward neutralism. In domestic politics, it means Communist party pursuit of legal recognition and of collaboration with other parties in popular fronts, as in Chile. But the Soviets and local Communists also consider it imperative to prevent the success of any democratic reform movement in Latin America. To this end, the Communists have collaborated on occasion with the most ruthless dictatorships and have sought by violence to frustrate democratic reformist regimes, as in Venezuela.

13. The Chinese and their ideological adherents scorn Soviet “opportunism” in Latin America and hold that revolutionary ends can be achieved only by revolutionary violence. But the Chinese are not “adventuristic.” They too recognize that the Communist revolution in Latin America is a distant objective, to be patiently prepared for, not an immediate potentiality. As a practical matter, the Chinese are more interested in gaining the adherence of the Latin American Communist parties for their own immediate purposes in their present struggle with the Soviets for the leadership of the international Communist movement. But the Latin American enthusiasts for the Chinese line are considerably less sophisticated about this matter than are the Chinese. They take their Chinese texts literally because they are themselves motivated toward early violent action.

14. The Cubans, like the Chinese, advocate violent revolution, but they are more “adventuristic.” They hold that their own experience proves that even a premature and abortive revolutionary attempt

~~SECRET~~

5

~~SECRET~~

would be a positive contribution to the cause, in that it would provoke repressive measures which would arouse the population against the government and so hasten the day of the successful revolution. This idea has appeal for undisciplined and "adventuristic" elements who want immediate action. Castro's efforts to foment revolutionary action in Latin America have suffered severe setbacks during the past year—e.g., the reverses suffered by the FALN in Venezuela and by Leonel Brizola in Brazil. Nevertheless, he will continue to provide training and other aid to potential revolutionaries in anticipation of future opportunities.⁵

15. Factional conflicts among pro-Soviet, pro-Chinese, and pro-Cuban elements have tended to disrupt and discredit the Communist movement in Latin America. Nevertheless, all seek in one way or another to destroy the position of the US in Latin America and eventually to revolutionize the continent. All three Communist lines can be pursued simultaneously in a given country, thus catering to diverse disaffected elements. Moreover, these distinctions do not always apply. The USSR approves of violent resistance operations in countries in which political action is impossible, as has been the case in Venezuela, although Cuba is the active agent in such cases. (The USSR has a strong presence in the Cuban agency charged with fomenting and supporting such operations.) On the other hand, Communist China and Cuba pursue a primarily political approach in countries such as Mexico, where that is obviously the more expedient course.

16. On the basis of a country by country review, the Communists' chances for gaining control of any Latin American country in the foreseeable future seem slight.⁶ Yet the same could validly have been said of Cuba in 1957. There is a real danger inherent in the situation, and that danger will persist for at least a generation.

⁵ In 1963 about 4,600 Latin Americans visited Cuba, of whom most presumably received some formal indoctrination. Several hundred probably received training in the techniques of guerrilla warfare and urban terrorism.

⁶ Possible exceptions are British Guiana and Chile. If the Jagan regime is still in power when British Guiana becomes independent, the Communists would be likely to gain control of that country. The forthcoming election on the basis of proportional representation is designed to unseat Jagan, but the possibility of his winning it cannot be excluded. If FRAP should win the presidential election to be held in Chile in September 1964, which is at least possible, the Communists would gain great influence in the government, but not immediate control of it.

~~SECRET~~

~~SECRET~~

17. The danger in Latin America results less from the Communists' ability to convert people to communism than from the ability of a few dedicated Communists to exploit for their own purposes the widespread tendency toward anti-US nationalism. Both the traditional order and the potential democratic order are under sharp attack by radical ultranationalists as well as by Communists. Many of these ultranationalists also seek dictatorial power, for the gratification of personal ambitions, but also in order to transform their societies without hindrance by vested interests. By their appeal to nationalistic emotions, they can gain a wider acceptance in Latin America than can the Communists. But an ultranationalist regime could become Communist through dependence on the aid of local Communists and of the USSR in its defiance of "Yankee imperialism." This is in some part the explanation of what happened in Guatemala under Arbenz and in Cuba under Castro. The significance of the local Communist parties in this context is that they provide a continuity of organization and purpose unusual in Latin American political life and a link with the USSR as a world power believed to be able to provide aid and protection in the event of a hostile confrontation with the US.

~~SECRET~~

7

~~SECRET~~

ANNEX A

ARGENTINA

SUMMARY

Argentina is one of the best endowed countries in Latin America, but is beset by deep-seated economic, social, and political difficulties. Since the fall of the quasi-fascist Perón regime, successive governments have failed to solve two basic problems: (1) how to overcome basic economic imbalances greatly aggravated by Perón's mismanagement; and (2) how to integrate the Peronists into a democratic political system without opening the way to a return of Peronism.

The Communist Party of Argentina is the largest in Latin America (about 65,000), but it is not a primary factor in the Argentine situation. Its potentialities are limited, not only by the legal restrictions imposed upon it at the insistence of the Argentine military, but also by the stronger popular appeal of Peronism and by the strong influence of the Catholic Church.

The Communists have no significant prospects in Argentina—unless and until the mass of the working population becomes so frustrated and embittered that it abandons hope of obtaining relief by other than revolutionary means. Even in that case, the revolutionary leadership would probably be Peronist rather than Communist.

The Basic Situation

1. Argentina is one of the best endowed countries in Latin America, with an extensive and fertile agricultural area and a relatively well developed industrial base. The population, 22 million, is 97 percent white and 86 percent literate. It stands foremost in Latin America in terms of technical skill and level of living. Nevertheless, the country is plagued with deep-seated economic, social, and political problems.

2. Before 1943 a corrupt and complacent oligarchy ruled Argentina. It was replaced by the quasi-fascist regime of Juan Perón, a military leader who won strong popular support by catering to nationalistic and working class interests. Perón's nationalistic program of rapid industrialization and his provision of economic and social benefits for the working class were accomplished at the

~~SECRET~~

~~SECRET~~

expense of agriculture, the principal interest of the ousted oligarchy and the principal source of foreign exchange. Mounting internal and external debt, together with the regime's waste and corruption, brought Perón to political bankruptcy. In 1955 he was overthrown by the military.

3. Since 1955 successive Argentine governments have failed to solve two basic problems: (a) how to get the economy straightened out and growing again; and (b) how to reintegrate the Peronists, still about 25 percent of the electorate, into a democratic political system without opening the door to a return of Peronism. The austerity required for the first purpose, a penance for the profligacy of Perón, is borne chiefly by the working population, depressing their level of living in comparison with that enjoyed under Perón and thus confirming them in their Peronism.

4. The Argentine military are determined to prevent any resurgence of Peronism, but are divided on how best to accomplish that purpose. The "Reds" advocated a long period of authoritarian rule without elections; the "Blues" insisted upon the restoration of constitutional civil government—with appropriate safeguards. The military permitted the election and inauguration of Frondizi in 1958, but regarded with suspicion his relations with the Peronists, whom he was trying to integrate into his own political organization. They threw him out when Peronist candidates won important offices in the provincial elections of 1962. After a sharp struggle between the "Reds" and "Blues," the "Blues" prevailed and permitted the election and inauguration of President Illia, in 1963, but they are keeping a close watch on him too.

5. The Illia administration has been slow to deal with Argentina's longstanding economic and social problems; its economic measures have been merely palliative. A high level of deficit spending having generated rapid inflation, the regime has imposed price and foreign exchange controls discouraging to private investment. It has sought to placate the workers with wage increases. Production and employment levels have improved somewhat over last year's lows, but the working class has become increasingly impatient with continuing increases in living costs, persisting unemployment, and inadequate housing. The largely Peronist General Confederation of Labor (CGT)⁷ has demanded drastic remedial action and has sought to coerce the government by temporary occupations of industrial premises. The CGT's demands have important political overtones.

6. Although the Peronists constitute a large portion of the electorate, they are much divided amongst themselves. Some moderate elements not controlled by Perón desire to find a place for themselves within the legitimate political system as a populist political party. More radical elements, more responsive to Perón's personal direction from exile in Spain, remain unreconciled and are

⁷ Peronist-controlled unions constitute 65 percent of the CGT membership; independent unions, 33 percent; Communist-controlled unions, two percent. The independent unions are reluctant to carry out the Peronist plan of action; the CGT may split on this issue.

~~SECRET~~

9

~~SECRET~~

predisposed toward opportunistic collaboration with Communists and Castroists in revolutionary agitation and subversive action.

7. The Illia administration has granted amnesty to Peronists and Communists arrested by the interim regime, but it has not sanctioned Peronist and Communist party activity. Existing legislation denies recognition to any political party controlled from outside the country. This provision can be applied to any Peronist organization deemed to be under the control of Juan Perón, and also to the Communist Party, as being subject to control from Moscow.

Communist Elements

8. The Communist Party of Argentina (PCA), strongly curbed by Perón's military successors, expanded rapidly in the political freedom established in 1958 and then achieved an estimated membership of 80,000. In 1959 Communist political activity was again restricted; the party was formally outlawed in 1963. In consequence, party membership has declined to an estimated 65,000—which leaves it still the largest Communist party in Latin America. Buenos Aires remains an important center for the publication of Communist propaganda for dissemination in Spanish America.

9. Despite its size, the PCA does not exert a major influence in Argentina. Its influence and growth are hindered not only by the legal restrictions insisted upon by the Argentina military, but also by the stronger popular appeal of Peronism and the strong influence of the Catholic Church. Even when permitted to participate in elections, the PCA never won more than three percent of the popular vote; its strength and influence have declined since then. Its membership is almost entirely urban; two-thirds of it is in the Buenos Aires metropolitan area. It consists preponderantly of manual and white collar workers; the student-intellectual element is less, proportionately, than is the case in most Latin American Communist parties. The party has some influence, though not a dominant one, in student organizations, and a very limited influence in organized labor. It has no considerable influence in the countryside. The party leadership is aging and ineffectual; the party's large membership includes relatively few militant activists.

10. Quite apart from the PCA, there are in Argentina clandestine subversive groups directed by Castroists, including some trained in Cuba. These bands, which all together probably number no more than 500 men, are composed of a miscellany of militant young Peronists, Socialists, Trotskyists, and Communists. Small guerrilla training camps have been discovered in the mountains of Córdoba and Salta provinces.

11. The USSR, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, and Yugoslavia have diplomatic representation in Buenos Aires. Cuba and Communist China do not. Diplomatic relations with Cuba were broken at the insistence of the Argentine military and are not likely to be resumed. Communist China, however, may be able to gain some informal representation in Buenos Aires through continuing purchases of Argentine wheat.

~~SECRET~~

Communist Strategy

12. Soviet strategy with respect to Argentina has been to cultivate good state-to-state relations in the hope of turning the "independent" foreign policy required by Argentine nationalism into some form of neutralism. To this end, the USSR has offered both trade and aid (a \$100 million credit, originally for oil equipment, but later extended to cover other Argentine import requirements). This campaign has produced no substantial effect, however. In six years, Argentina has drawn only \$33 million of the \$100 million Soviet credit; Argentine trade with the Soviet Bloc remains relatively insignificant. The USSR was hopeful that President Illia would adopt a "more democratic, anti-imperialist, and independent" policy, but instead he has sought to cultivate good relations with the US.

13. The strategy of the PCA has corresponded to that of the USSR. It has sought to gain legal status and political influence by political means. However, its efforts to form an electoral front with the Peronists have been rebuffed by them. The only Peronists who will have anything to do with the Communists are the radical revolutionaries who wish to pursue a subversive rather than a political line, contrary to present Communist strategy. The PCA has supported the efforts of the Peronist-led CGT to coerce the Illia administration, but has been concerned lest the Peronists press the campaign so hard as to alienate the independent unions. Minor activist elements in the PCA have demanded a more aggressive party strategy, but as yet no split on Sino-Soviet lines seems indicated.

14. The Cuban strategy with respect to Argentina is to develop assets for an eventual resort to revolutionary insurrection, but the prospects for this are poor. Castro and communism lack the sympathy of the rural population which is essential to the successful prosecution of a guerrilla campaign. The Communists have a greater potential for urban sabotage and terrorism, but not on a revolutionary scale.

15. In sum, although the Communists have some troublemaking potential in Argentina, they have no prospect of gaining important political influence or revolutionary leadership—unless and until the disgruntled mass of the working population becomes so frustrated and embittered that it abandons hope of obtaining relief by other than revolutionary means. Even in such a case the revolutionary leadership would be more likely to be Peronist than Communist, but the revolutionary situation would afford the Communists opportunities for infiltration.

The Security Forces

16. The agencies primarily responsible for countering Communist and Peronist subversive activity in Argentina are *SIDE* (analogous to the FBI), the National Police (20,000), the National Gendarmerie (11,000), and the Maritime

~~SECRET~~

11

~~SECRET~~

Police (8,000). These are competent professional organizations.* The National Police, in particular, have considerable experience in controlling urban disorder. In addition, there are less competent provincial and municipal police forces.

17. These police forces are supported by a military establishment numbering 133,000—Army 83,000; Navy (including Marines and naval air), 31,000; Air Force, 19,000. These forces are generally well equipped, well trained, and efficient, but in the event of widespread guerrilla insurgency they would be hindered by shortages of modern communications, reconnaissance, and transportation equipment.

18. Although dominant elements within the armed forces prefer to maintain a constitutional regime, there are varying attitudes on national policies and the political role of the armed forces. Neither the constitutional preference nor the diversity of attitudes would deter the armed forces from intervening to suppress any disorder or insurgency fomented by either the Peronists or Communists.

*They may, however, be hampered in some degree by the fact that the Minister of the Interior and the head of SIDE are political appointees.

~~SECRET~~

~~SECRET~~

ANNEX B

BOLIVIA

SUMMARY

Although political crises are frequent in Bolivia, President Paz has general popular support and has always managed to control the situation. Having failed to prevent the re-election of Paz, disaffected elements, including the Communists, could resort to disruptive action—strikes, riots, terrorism, guerrilla insurgency. Such actions would not be likely to overthrow the Paz regime, but could keep the country in turmoil and thus hinder the fulfillment of the regime's development program, to ultimate Communist advantage.

The Basic Situation

1. Bolivia is a poorly integrated country lacking modern economic and social development. The population, about four million, is about 55 percent Indian, 30 percent mestizo, and 15 percent white. It is concentrated on the high Andean plateau and in adjacent mountain river valleys; the extensive eastern lowlands are practically inaccessible. The money economy is almost totally dependent on the exportation of high cost tin ore from obsolescent mines. Only about 30 percent of the population is literate; there is a dearth of competent technicians and managers.

2. In 1952 the Nationalist Revolutionary Movement (MNR) led a popular uprising which destroyed the then existing army and overthrew the traditional political and social order. The MNR undertook to carry out a fundamental reorganization of the society through nationalization of the tin mines, agrarian reform, and various social welfare measures. This program, however, resulted in decreased production and increased costs. The regime has been able to meet recurring deficits only through massive US aid. Even with such aid, it has made only slight progress toward economic development. The level of living of most Bolivians remains very low and opportunities for personal advancement very limited.

3. Since 1952 the MNR has dominated the political scene, but within the party there has been constant tension between its radical and moderate wings, with the latter controlling the administration of the government. The administration's efforts to rationalize the operation of the tin mines and the miners' resistance thereto have now split the party. To oppose the re-election of President Victor

~~SECRET~~

13

~~SECRET~~

Paz Estenssoro, Vice President Juan Lechín organized a new party, the PRIN, based on the long distinct MNR left wing. Paz was re-elected with about 85 percent of the votes cast.

4. Bolivia is a violence-ridden country, but little of the gun play and general unrest is directly attributable to Communist agitation. Most of it is traceable to struggles for power within the MNR or simply to the rivalries of local peasant chieftains. An important contributing factor is the general availability of weapons among the civil population.

Communist Elements

5. The Communist movement in Bolivia is fragmented by the same indiscipline There are three small Communist parties and much factional strife within them. They are:

a. The Trotskyist POR, founded in 1938 and now split into three mutually antagonistic personal factions. Their total strength amounts to about 2,000.

b. The Stalinist PIR, founded in 1940. The party disintegrated in 1952, but was revived in 1956. It now numbers about 1,000 and consists mostly of anti-Khrushchev, pro-Castro intellectuals.

c. The orthodox Communist Party of Bolivia (PCB), organized in 1950 by dissident members of the PIR. It may number as many as 5,000 active members, but has little control over its pro-Castro youth group (JCB), which numbers about 1,000.

6. The social revolutionary program of the MNR has largely pre-empted the revolutionary appeal of communism in Bolivia. The various Communist parties have no substantial popular following, but they have exercised a pervasive influence through penetrations of the MNR Left, the MNR youth, the educational system, the bureaucracy, and labor organizations, and through various cultural associations and other front groups. They have carried on a constant agitation against capitalism and "Yankee imperialism," and, latterly, against the MNR administration.

7. The principal locus of Communist influence in Bolivia was the Bolivian Workers' Confederation (COB) and particularly the constituent Mine Workers' Federation (FSTMB). These organizations were Lechín's political base; they exerted a strong influence within the MNR and on the MNR government. As part of Paz's political demolition of Lechín, however, the COB has been completely reorganized and the supporters of Lechín, including the Communists, have been expelled. The remnant of the old COB, including the FSTMB, still supports Lechín and is still subject to Communist influence, but most of Bolivian organized labor has adhered to Paz and the new COB-UR. That Paz was able to do this would indicate that Communist influence on Bolivian labor was considerably overrated. In any case, it has now been severely curtailed.

~~SECRET~~

~~SECRET~~

8. The Communists have a strong minority position in most Bolivian student organizations, but control only two out of seven at the university level.

9. There are Cuban, Czech, Hungarian, and Yugoslav diplomatic establishments in La Paz, but no Soviet embassy. The Czech Legation provides secure communications between the PCB and Moscow.

Communist Strategy

10. The Cuban and Czech embassies in La Paz have been active in cultivating and subsidizing student, labor, and peasant groups, particularly the PCB and MNR youth groups, but not in collaboration with each other. The Cubans have been attempting to organize and incite urban terrorism and guerrilla insurgency. Some 300 Bolivian youths have been sent to Cuba for indoctrination, and a few of them have received guerrilla training. The PCB leadership has opposed this Cuban activity. PCB collaboration in the infiltration into Peru of Peruvians trained in Cuba was stopped on orders from Moscow.

11. During 1960-1962 the USSR sought to cultivate the Bolivian Government, offering economic assistance in the apparent hope of obtaining thereby the acceptance of a Soviet embassy in La Paz and the development of a neutralist attitude on the part of Bolivia. During this period the PCB was instructed to support and cultivate the MNR administration. By the end of 1962, however, it had become evident that President Paz had no intention of responding to these Soviet overtures—in part for fear of forfeiting indispensable US aid.⁹ The PCB was thereupon instructed to support the MNR Left in opposition to the Paz administration, and to collect arms for use in the event of a revolutionary attempt by the MNR Left.

12. Having failed to prevent the re-election of President Paz, the PRIN or other disaffected groups may yet resort to disruptive violence—riots, strikes, terrorism, insurgency—which the PCB could be expected to abet. Even if they do not, the undisciplined youth of the MNR and PCB may do so at any time, under Cuban incitement.

13. It is unlikely that disaffected elements, including the various kinds of Communists, could overthrow the Paz regime.¹⁰ By disruptive actions, however, they could keep the country in turmoil, hindering the fulfillment of the MNR's development program, to ultimate Communist advantage.

The Security Forces

14. After the 1952 revolution, the MNR, distrustful of any regular military establishment, organized its armed partisans into militia units on which it could rely for support against a military coup. In present circumstances, the miners'

⁹The Czechs also have been offering technical and economic assistance which Paz, so far, has not accepted.

¹⁰If Paz should be eliminated, by assassination or otherwise, no potential successor could match his personal popularity and an anarchic situation might develop.

~~SECRET~~

15

~~SECRET~~

militia units are a threat to the government rather than a support for it. The peasant militia units, however, remain generally loyal to Paz.

15. The regime has meanwhile reconstituted the Bolivian armed forces, as follows:

Army	10,400 "
River and Lake Forces	1,100
Air Force	1,500
Carabineros (a militarized constabulary)	3,800
Total	16,800

These forces are among the least effective in Latin America. Even so, they are probably more effective than the undisciplined armed elements with which they might have to contend. However, a well organized and widespread revolutionary effort would severely strain their capabilities, which would also be impaired by severe tensions within the MNR.

16. Political ambition is not unknown in the new military establishment, but the new officer corps generally supports the MNR. Remembering what happened to their predecessors in 1952 (and to the professional military establishment in Cuba), they are strongly motivated to oppose the PRIN's accession to power as well as any Cuban-inspired insurgency.

" The effective strength of the Army is reduced to about 5,000 during the annual period when a new class of conscripts is being inducted.

~~SECRET~~

~~SECRET~~

ANNEX C

BRAZIL

SUMMARY

Brazil is the most important country in Latin America; it aspires to world recognition as a great power. Its politics have long been dominated by the Vargas tradition, which combines intense nationalism with a drive for economic and social development. The reckless development policies pursued by President Kubitschek (1956-1961) produced severe inflationary and other financial, economic, and social problems. These problems were aggravated by President Goulart's disruptive and demagogic style of government. The April 1964 revolution was a repudiation, not only of Goulart and his machinations, which contained the threat of a dictatorship controlled by ultra-nationalists and Communists, but also of the corrupt practices of the Vargas political system.

The Castello Branco regime promises a more responsible and reasonably progressive administration. However, because of the manifold problems confronting Brazil, it is unlikely that it can accomplish dramatic results within its term. The government's corrective measures are likely to offend important propertied interests; austerity measures could lead to serious labor unrest and increased popular discontent. Sharp differences have already become apparent within the military and civilian groups supporting the government, with an aggressive "hard line" element calling for more forceful measures to weed out corruption and subversion in order to "fulfill the revolution." We believe that, with some concessions to expediency, Castello Branco will succeed in maintaining general control of the situation. It is possible, however, that he will be forced to adopt progressively more authoritarian measures in order to remain in power and that a radical polarization of political forces will occur.

The Brazilian Communist Party (PCB) benefitted greatly from President Goulart's desire to obtain its collaboration. The Communists desired to preserve this opportunity for the development of their

~~SECRET~~

17

~~SECRET~~

strength and influence and advised Coulart against reckless conduct which might precipitate his overthrow. A more immediate and formidable threat to US interests in Brazil was the radical ultranationalism represented by Leonel Brizola.

The Communists are now confused and demoralized as a result of the April revolution, but their organizational structure remains largely intact. They continue to operate underground. Some sporadic violent resistance to the Castello Branco regime may develop, but it is unlikely that the stability of the regime will be seriously threatened. Should there be a deterioration of the economic and political situation over a period of time, however, the Communists and other extremists would probably once again become a significant subversive threat.

The Basic Situation

1. Brazil is the largest and most populous country in Latin America. It aspires to world recognition as a great power. Its development, however, is very uneven. In effect, there are at least four Brazils: (a) the temperate, populous, and generally well-developed Southeast;¹² (b) the tropical and populous Northeast, which was the most highly developed part of the country in former times, but is now economically and socially backward; (c) the relatively temperate interior plateau, a newly developing internal frontier area; and (d) the tropical, virtually undeveloped Amazon basin.

2. The Brazilian population, 78 million and growing rapidly, is racially varied. Some 44 percent are white (13 percent of Portuguese antecedents, 9 percent Italian, etc.); about 25 percent are mulatto and 12 percent Negro; about 15 percent are mestizo and 2 percent Indian. The pattern varies regionally. The whites predominate, numerically as well as socially, in the Southeast. Mulattoes and blacks are most numerous in the Northeast, mestizos in the interior. Brazil as a whole is probably the best integrated racially-mixed society in the world. Nevertheless, marked social distinctions do exist, primarily on the basis of wealth and culture, but not without some consideration of color.

3. In 1930 Getúlio Vargas, of Rio Grande do Sul, led a national revolt against the Paulista-Mineiro oligarchy which had long dominated the country. To obtain support against the former ruling group, he appealed to Brazilian nationalism and also to two rising classes, industrial entrepreneurs and industrial labor. Years ahead of Perón, who was in many respects his imitator, Vargas aroused great enthusiasm for the modernization of Brazil as an industrialized social welfare state. In 1937 he proclaimed the *Estado Novo*, a quasi-fascist regime,

¹² The states of Rio Grande do Sul, Santa Catarina, Paraná, São Paulo, Minas Gerais, Guanabara, Rio de Janeiro, and Espírito Santo.

~~SECRET~~

~~SECRET~~

highly centralized and authoritarian, but committed to social reconstruction and nationalistic economic development.

4. In 1945 the military overthrew the *Estado Novo*, but the Vargas tradition continued to dominate Brazilian political life.¹³ It has been represented by two political parties which, in coalition, ruled the country from 1945 until 1964, except for the brief Quadros interlude in 1961. One is the Social Democratic Party (PSD) of Juscelino Kubitschek. It represents primarily those interests which supported Vargas on account of his economic nationalism and his promotion of industrial development. The other Vargas party is the Brazilian Labor Party (PTB). It was João Goulart's personal political machine, based originally on the government's control of organized labor.¹⁴

5. President Goulart (1961-1964) tried to carry on in the Vargas tradition, but was not the man that Vargas was. His vacillating, disruptive, and demagogic rule greatly aggravated the serious economic and social problems which he had inherited from Vargas himself and from Kubitschek. Finally his conduct convinced responsible military leaders that he was about to subvert the constitution and establish a dictatorial regime likely to be dominated by a combination of radical ultranationalists and Communists. The military, with the support of most major political figures, thereupon overthrew the Goulart regime. General Humberto Castello Branco was designated to serve as President until January 1966; Congress recently amended the constitution to extend his term until March 1967.

6. From the point of view of many of the military, and of many politicians as well, the April 1964 revolution was a repudiation not only of Goulart and his machinations, but of the corrupt practices of the Vargas political system. They were particularly concerned to prevent the re-election of Kubitschek to the presidency. There has been a widespread purge of elected and appointed officials accused of subversive tendencies, or of flagrant corruption. In particular, Kubitschek has been deprived of his political rights for 10 years. His proscription has not caused any strong political reaction.

7. There was considerable popular enthusiasm for the overthrow of Goulart, and no resistance. The Castello Branco regime gives promise of a constructive effort to correct the economic abuses of the Vargas era and to promote economic recovery and development on a sounder basis. However, because of the manifold problems confronting Brazil, it is unlikely that it can accomplish dramatic results within its term. The government's corrective measures are likely to continue to offend important propertied interests; austerity measures, already causing increased unemployment, could lead to serious labor unrest and increased

¹³ Vargas himself was re-elected President in 1950. In 1954, under threat of deposition, he committed suicide, thus becoming a martyr to his cause.

¹⁴ The corporative features of the *Estado Novo*, through which the government exercised effective control over organized labor, survived its overthrow. Goulart, who was Minister of Labor under Vargas in 1954, continued to control the government's labor patronage as Vice President under Kubitschek.

~~SECRET~~

19

~~SECRET~~

popular discontent. Sharp differences have already become apparent within the military and civilian groups supporting the government, with an aggressive "hard line" element calling for more forceful measures to weed out corruption and subversion in order to "fulfill the revolution." We believe that, with some concessions to expediency, Castello Branco will succeed in maintaining general control of the situation. It is possible, however, that he will be forced to adopt progressively more authoritarian measures in order to remain in power and that a radical polarization of political forces will occur.

Communist and Other Subversive Elements

8. In 1946 the Brazilian Communist Party (PCB) had 150,000 members and was the largest and best organized Communist party in America. It was, and still is, led by Luiz Carlos Prestes, who had been a popular hero before he became a Communist.¹⁶ In 1947 Prestes frankly declared that he would support the USSR if it were at war with Brazil. This declaration provided the occasion for outlawing the PCB; its strength subsequently dwindled to about 25,000. This strength was concentrated chiefly in São Paulo (10,000), Guanabara (5,000), Minas Gerais (2,500) and Rio Grande do Sul (2,500). Despite its numerical decline, the PCB continued to exercise a strong influence among students and intellectuals. It also maintained an effective influence in organized labor, through collaboration with Goulart.

9. Goulart's accession to the presidency opened new opportunities to the PCB. The Communists never trusted him, but they knew how to take advantage of his distrust of others and his willingness to dispense patronage in return for collaboration and support. They and their sympathizers infiltrated the government, dominated four of the five major labor confederations, and created the extra-legal Workers' General Command (CGT). They also gained control of the newly organized rural workers' confederation. Recruiting openly, the PCB increased its strength to about 30,000.

10. There is a second Communist party in Brazil which claims to be the true Communist Party of Brazil (CPB). It originated in 1962, when certain members of the PCB central committee protested Prestes' policy of collaboration with the Goulart regime and were expelled. They formed an organization of about 1,000 members which has openly identified itself with the Chinese position in the Sino-Soviet controversy and has been duly recognized by Communist China.

11. A third, quasi-Communist element in the situation is the Peasant Leagues of Francisco Julião. These Leagues are estimated to have had about 13,000 members in 12 states, chiefly in the Northeast. Early on, the Cubans identified them as a potential guerrilla resistance movement and, to that end, furnished some financial aid, as well as training in Cuba. The PCB deplored this adventurist idea; when Julião ignored its advice, it proceeded to undercut him

¹⁶ In 1924 Prestes, a young Army captain, rebelled and for the next three years led a guerrilla band through the hinterland of Brazil demanding social revolution. He became a folk hero, a sort of Robin Hood. He became a Communist in the early 1930's.

~~SECRET~~

~~SECRET~~

by organizing its own rural unions. The membership of the Peasant Leagues has probably declined and they are no longer politically influential. The Castello Branco regime has given the Church primary responsibility for the organization and guidance of the rural labor movement.

12. Potentially more formidable than all these Communists and quasi-Communists, as a revolutionary force, are the radical ultranationalists led by Goulart's brother-in-law, Leonel Brizola. In 1963 an organizational framework was provided for this movement, under the name of the Popular Mobilization Front (FMP). The FMP drew strength from all sectors of the population, particularly from student, labor, and peasant elements, and enlisted military personnel. Its influence in the government and the military establishment was more extensive than that of the PCB. The FMP had begun to organize "groups of eleven"—ostensibly political action units, but with an evident paramilitary potential. The Cubans eventually identified Brizola as the foremost potential revolutionary in Brazil. There is reason to believe that they gave him some financial aid, and perhaps some arms. The PCB deplored the adventurism of the FMP, but sought to penetrate it in order to control it. A PCB member became the coordinator of the FMP organization.

13. All of these elements were surprised by the military overthrow of Goulart and were unprepared to resist it. Their ineffectuality on that occasion casts doubt upon their future capabilities. The new regime has purged Communists and ultranationalists from positions of power and influence. Those leaders who remain at large, including Prestes and Brizola, are now able to operate only underground. However, the Communist party apparatus remains largely intact.

14. The Castello Branco regime has broken diplomatic relations with Cuba. There remain in Brazil diplomatic missions from the USSR, Poland, Czechoslovakia, Hungary, Rumania, and Bulgaria. The attitude of the regime toward them is cool.

Communist Strategy

15. The strategy of the USSR was to cultivate Goulart with offers of trade and aid and with encouragement to adopt a more "independent" attitude toward the US. That of the PCB was to take advantage of Goulart's political necessities in order to build up its own strength and influence. With Goulart overthrown, these strategies are in abeyance. No matter how the situation develops, it is unlikely that the USSR would willingly forfeit the advantage of having regained a diplomatic foothold in Brazil. The PCB, however, is left in a quandary. There is said to be dissension within its central committee as to what to do now, as well there might be. If the PCB does not react effectively, it is likely to lose its more militant members to the CPB, while others just drift away.

16. The CPB almost certainly considers its position to have been vindicated by the overthrow of Goulart and the discomfiture of the PCB. It will expect accretions of strength through the adherence of disillusioned members of the

~~SECRET~~

21

~~SECRET~~

PCB. Within its limited capabilities, it may attempt to launch violent resistance to the Castello Branco regime.

17. Cuban propaganda is attempting to arouse popular resistance to the regime as a military dictatorship, calling on all disaffected elements—the partisans of Kubitschek, Goulart, Brizola, and Julião, as well as the CPB and PCB, to unite in that endeavor. In response, there may be some sporadic urban and rural violence, but a strong popular resistance movement is not likely to develop. However, should there be a deterioration of the economic and political situation over a period of time, the Communists and other extremists would probably once again become a significant subversive threat.

The Security Forces

18. The Brazilian security forces number 351,000 men, as follows:

Army	150,000
Navy	35,000
Air Force	26,000
State militarized police	90,000
Civil police	50,000

19. The Brazilian military forces are generally efficient [redacted]

[redacted] To a considerable extent, the Army has been organized, equipped, trained, and deployed with the requirements of internal security in mind. Civic action is an old tradition in the Brazilian military forces; their relations with the civil population are generally good. The general inadequacy of Brazil's rail and road net would hinder emergency redeployment, but a fairly large air transport capability exists. The nucleus of an airborne division provides an important counter-insurgency potential.

20. The state militarized police are armed with light weapons. Those of the major states (e.g., São Paulo) are very effective; those of the poorer states are rather ineffective. In the event of a national emergency, these forces are available as an Army reserve.

21. Since the April revolution all the Brazilian security forces have been purged of known disaffected elements. They would act vigorously to defend the Castello Branco regime against any disturbances inspired by the Communists or by Brizola.

~~SECRET~~

~~SECRET~~

ANNEX D

BRITISH GUIANA

SUMMARY

The UK is committed to grant independence to British Guiana. However, the bitter hostility which exists between the Indian and Negro communities in that country has precluded their political co-operation and threatens internal order. Moreover, the present government, headed by Premier Cheddi Jagan, is dominated by a few apparent Communists. If Jagan is in power when Guiana becomes independent, the country will be likely to fall under Communist control. To avert that, the British plan to hold a general election based on proportional representation before granting independence. This device is expected to unseat Jagan. Some elements in his party will do all in their power to prevent such an election from being held, even at the cost of delaying independence. Although Jagan has not been able to govern the country effectively, his extremist partisans may have the power to prevent anyone else from doing so.

The British can almost certainly control the situation in the colony as long as they remain there, but they are eager to get out. Unless an enduring internal political accommodation is reached before they go—which seems very unlikely—their departure will probably be followed by bitter racial conflict between the Indians and Negroes, which could result in eventual Communist control.

The Basic Situation

1. The population of British Guiana, only about 600,000, is deeply and bitterly divided along ethnic lines. It is about 49 percent Indian (from India), 44 percent Negro or part-Negro, 4 percent aboriginal Indian, and 3 percent white or Chinese. Cultural, residential, occupational, and political differences correspond to these racial ones. The Indians, who are increasing faster than the other groups, are predominantly Hindu or Moslem, live mainly in rural areas, work mostly in the sugar or rice fields, and vote generally for Premier Cheddi Jagan's People's Progressive Party (PPP). The Negroes are Christian, live mainly in towns, work mostly in sugar factories, bauxite mines, and the civil service, and vote generally for Forbes Burnham's People's National Con-

~~SECRET~~

23

~~SECRET~~

gress (PNC). Both the PPP and PNC are radical in their tenets and clamorous for independence, but the PPP leadership has conspicuous Communist connections, while the PNC is explicitly anti-Communist.¹⁶ There is also a conservative third party, the United Force (UF) led by Peter D'Aguiar. The UF appeals primarily to merchants and other substantial citizens, but also to the aboriginal Indians in the interior.

2. In the last election (1961) the PPP won 43 percent of the vote, the PNC 41 percent, and the UF 16 percent. On the basis of the established single-member constituencies, this vote gave the PPP 20 out of 35 seats in the legislature, the PNC 11, and the UF 4. This result has led Burnham and D'Aguiar to demand a new election before independence, based on a system of proportional representation that would, presumably, deprive the PPP of its majority position in the legislature. For that same reason, Jagan has opposed the holding of such an election.

3. Unable to displace Jagan by political means, the opposition has tried other methods and twice has come near unseating him. In February 1962 a substantial part of Georgetown was destroyed in opposition-inspired rioting; Jagan suffered the mortification of having to call on the British to restore order. In April-July 1963 a 79-day general strike almost brought down the government.¹⁷ It was saved by the timely arrival of supplies and funds provided by Cuba and the USSR.

4. The British are eager to get out of Guiana. The colony is for them a costly and troublesome burden. They believe, moreover, that to delay its independence is politically costly for them in Africa and Asia. However, the inner councils of the PPP are dominated by apparent Communists (see *para. 7*) and, if the PPP is in power when independence is granted, Guiana would be likely to become a Communist country. The British accept responsibility not to leave behind them a race riot for a Communist regime. All attempts to persuade Jagan and Burnham to form a coalition government having failed, the British have decided to hold a new general election on the basis of proportional representation, as desired by Burnham and D'Aguiar.

5. The result of such an election remains uncertain. On the basis of the 1961 returns, it should go against the PPP—indeed, it is designed to unseat the Jagan regime. Knowing that, some elements in the PPP are resolved to prevent such an election from being held, by violence if need be. The PPP, however, did participate in registration for the election and is thought to have been more effective than its rivals in getting its supporters registered. If the election is held with PPP participation, the PPP might conceivably win it.

¹⁶ Jagan and Burnham were co-founders of the PPP, in 1950. Five years later Burnham and his Negro following walked out and founded the PNC.

¹⁷ This strike was called to oppose proposed legislation which would have given the government (i.e., the PPP) effective control over organized labor. It was successful in forcing the withdrawal of that proposal.

~~SECRET~~

6. Racial tension is now acute in British Guiana. The present phase began with a jurisdictional strike called by the PPP-controlled labor organization, GAWU, to gain exclusive bargaining rights in the sugar industry, in which the factory workers are mainly Negro and the field hands mainly Indian.¹⁸ Intimidation was used to force the workers to strike; cane fields were burned; isolated Negro families were attacked. The strike was a failure, but it generated a wave of racial violence—about 185 people were killed and property damage exceeded \$5 million. On 22 May the Governor declared a state of emergency and deployed British troops. He arrested Deputy Premier Brindley Benn and over 30 others, almost all of them PPP extremists, but the violence continued and even increased. It has only recently subsided.

Communist Elements

7. There is no Communist party in British Guiana. The Communist threat resides in the top management of the PPP. Two of these party leaders are known to have been members of the British Communist Party. The Communist identity of others cannot be proved, but it is strongly indicated by circumstantial evidence. They have long records of association with known Communists and of travel to Havana, Moscow, and Peiping. They have employed foreign Communists in party-related positions, and have sent party youths to Communist countries for education and training. The USSR and Cuba have demonstrated a marked interest in them—indeed, Cuban deliveries of Soviet petroleum products and foodstuffs saved the day for Jagan during the general strike of 1963. Cuba now regularly supplies part of Guiana's petroleum requirements in exchange for rice. Soviet propaganda strongly supports the Jagan regime. The USSR has supplied modest amounts of financial aid to the PPP. Cuba has made an indirect loan of \$1 million to the government, and there is reason to believe this money came from the USSR.

8. The Indian field hands who make up the general membership of the PPP are not Communists—indeed, they aspire to become peasant proprietors. They support Jagan as an Indian leader on whom they can rely to defend their interests against both their white employers and the Negro civil administrators and police. Some Indians, however, have begun to notice that Jagan's performance does not match his promises—that he has not yet got for them either national independence or substantial foreign aid, from either the US or the USSR.

9. The PPP and its youth organization, the PYO, have developed a "Guyana Liberation Army" controlled by Brindley Benn, now under arrest, and other PPP extremists. The nucleus of this force probably consists of youths trained in Cuba in the techniques of terrorism and guerrilla warfare. It is believed to have caches of light arms supplied by Cuba, and is probably responsible for some of the recent violence and destruction.

¹⁸ The principal Guianese labor organization, the Trades Union Council (TUC), is strongly anti-Jagan. The PPP evidently considers it a matter of vital importance to break the power of the TUC and to build up its own labor organization.

~~SECRET~~

25

~~SECRET~~

Communist Strategy

10. The USSR and Cuba evidently regard the Jagan regime as a likely means of advancing their own interests in British Guiana. They are disposed to favor it with moral support and convenient amounts of trade and aid. Their investment in Jagan is not great, however, nor is it likely to become so. The PPP leaders are disappointed that no more Soviet economic aid has been forthcoming. If Guiana should become independent under PPP control, there might be some increase, but probably no more than just enough to keep the regime in business.

11. The strategy of the Communists in the PPP has been, presumably, to achieve independence and then to develop and strengthen Communist control of the country, with Cuban and Soviet aid. They probably would not proclaim immediately that Guiana had become a Communist state. A period of non-aligned "national democracy" would be more expedient, from their point of view.

12. This strategy depends on PPP control on independence day. It is now threatened by the British decision to hold an election on the basis of proportional representation. The PPP could take its chances in that election, retaining power if it won, going into political opposition if it lost. In the latter case, it might count on the divisions among its opponents and on the growth of the Indian population to return it to power eventually. The PPP, however, fears that it could not rely on a Burnham government to conduct a fair election after the departure of the British. The indications are that the PPP (or at least the extremists among its leaders) has decided that the elections must be prevented, by the creation of internal disorder if need be.

13. Prevention of the election implies the postponement of independence. If, in the face of gross internal disorders, the British assume control of the government, under their reserved powers, then the "Guyana Liberation Army" could enter into a struggle for "national liberation" from British imperialism. The British would be able to cope with that militarily, but would find it politically embarrassing. Or, if the British held some sort of an election, installed Burnham in office, and left, the "Guyana Liberation Army" could direct its efforts against Burnham as a "tool of Yankee imperialism." In any case, the prospects in British Guiana are for increasing Castro-Communist inspired disorder and increasing racial bitterness.

The Security Forces

14. The security forces now available in British Guiana include:

British Army	1,200
Guiana Volunteer Force	600
Regular police	1,500

In addition, there are several hundred auxiliary police on active duty, including about 200 in Georgetown.

~~SECRET~~

~~SECRET~~

15. The British troops are an efficient force, but would require reinforcement in the event of a large-scale insurrection. The Guiana Volunteer Force is a predominantly Negro territorial unit now called to active duty. It is effective in a static guard role, but not otherwise. The police forces are composed mostly of Negroes under the direction of a British commissioner and are effective. Since the declaration of a state of emergency, internal security is an exclusively British responsibility in which the Jagan government cannot interfere.

~~SECRET~~

27

~~SECRET~~

ANNEX E

CHILE

SUMMARY

Chile has a longstanding tradition of respect for constitutional order and civil liberties. In recent years, popular dissatisfaction with economic hardships and class discrimination has been expressed in a steadily leftward political trend. In these circumstances, the strong and well-organized Communist Party of Chile (PCCh) is committed to the *via pacifica*—the pursuit of revolutionary ends by peaceful political means. It is the strongest element in a popular front movement (FRAP) which narrowly missed winning the presidential election of 1958 and is again a strong contender in that to be held in September 1964. Even if FRAP should lose in September, the PCCh would probably continue to adhere to the *via pacifica*, expecting to participate in a winning coalition in 1970.

The Basic Situation

1. Chile's population now numbers about 8 million and is growing at a rate of about 2.5 percent per year. Racially and culturally, it is one of the most homogeneous in Latin America—about 90 percent are *Chilenos*, a predominantly Spanish stock with some Indian admixture. The adult population is estimated to be about 80 percent literate. Three-fourths of the people live in the central one-third of the country, a fertile area with a climate like that of California. About 60 percent live in urban communities. Almost all participate in the money economy. Chilean national unity is impaired, however, by strong class distinctions. The politically dominant upper and middle classes have defended and promoted their own interests without much regard for the generally deplorable lot of the lower classes.

2. Chile's human and material resources are adequate to provide a decent living for all its people, but only if more rationally utilized, with a more equitable distribution of the national income.¹⁹ Regressive taxation and chronic inflation have borne heavily upon the lower class—since 1950, the real wages

¹⁹ Chile's per capita GNP is one of the highest in Latin America—about \$700—but the mass of the people do not share in this relative prosperity.

~~SECRET~~

~~SECRET~~

of urban blue collar workers and rural workers have actually declined. These workers and their families make up more than half of the population.

3. Popular dissatisfaction with economic hardships and class discriminations has been expressed in a steadily leftward political trend. The Popular Action Front (FRAP), a leftist coalition in which the Communist Party is the strongest element, almost won the presidential election in 1958. It is again a strong contender in the presidential election to be held in September 1964.

4. The only party now capable of defeating FRAP is the leftist Christian Democratic Party. The spectacular rise of this party is primarily attributable to the disenchantment of independent and new voters with the three traditional parties (Conservatives, Liberals, and Radicals) and their desire for a genuinely reformist alternative to the Communist-tainted FRAP.

Communist Elements

5. The Communist Party of Chile (PCCh), founded in 1922, reached the peak of its political influence in its 1946 coalition with the Radicals. It has twice been severely suppressed, 1926-1931 and 1948-1958. The party has regained considerable strength and, with 20 members in Congress, is probably the most influential Communist Party in Latin America. It is now estimated to have 30,000 members. Its candidates attracted the support of 254,000 voters (13 percent) in the 1963 municipal elections. The PCCh controls the governing board of the principal Chilean labor confederation, CUTCh, but its influence varies sharply from union to union, depending upon the particular circumstances involved. It is a strong, though not controlling, element in FRAP.

6. The faction-ridden Socialist Party includes an originally Trotskyist element. These former Trotskyists are more violently revolutionary than are the Communists. There are also in Chile five pro-Chinese splinter groups with an aggregate strength of about 2,000.

7. Chile has broken relations with Cuba in compliance with the OAS action of 26 July. The only Communist embassy remaining in Santiago is that of Yugoslavia. However, the USSR, Poland, Czechoslovakia, Hungary, Bulgaria, and Communist China are permitted to maintain small commercial or cultural (propaganda) missions there.

Communist Strategy

8. The contrast between the political success which the Communists have enjoyed when pursuing popular front tactics and the suppression which the party has suffered whenever it turned to subversive agitation and violence has led the PCCh to adopt a policy called the *via pacifica*—the pursuit of revolutionary ends by peaceful political means. The party's overriding concern appears to be the retention of its present legal status. It strongly supports the Soviet line in the Sino-Soviet controversy.

~~SECRET~~

29

~~SECRET~~

9. The present Communist strategy in Chile is manifestly to support the FRAP campaign for the presidency. (The FRAP candidate is Senator Allende, a vehemently anti-US Socialist.) There is good reason to believe that Cuba is subsidizing the FRAP electoral campaign. If FRAP should win, the Communists would be assured of a strong influence in the legitimate government of Chile. From this position of influence they could work to (a) attack US influence and interests in Chile and throughout Latin America, and (b) prepare for an eventual attempt to take over.

10. If FRAP should be defeated in September, the PCCh might consider abandoning the *via pacifica* and seeking to foment a proletarian revolution in Chile. The odds are against their doing so. They would be more likely to seek to preserve their legal status and to bide their time, confident that any progress toward reform would fail to keep pace with rising popular expectations and that the cumulative frustrations and resentments of the masses would eventually enable them to come to power, perhaps through participation in a winning coalition in the presidential election of 1970.

The Security Forces

11. The Chilean military forces are distinguished in Latin America for a proud military tradition and for continuing high discipline, morale, and military efficiency. Their equipment, however, is in need of modernization. The Army numbers 28,000 men; the Navy, 15,000; the Air Force, 7,000.

12. Primary responsibility for the maintenance of public order and internal security is assigned to the *Carabineros*, a national constabulary numbering 23,000 men. The *Carabineros* are a highly professional force. They thoroughly patrol the country and are generally respected by the people, despite Communist efforts to discredit them. The development of any insurgency would be unlikely to escape their notice and counteraction. The civil internal security service, *Investigaciones*, is also an efficient organization. The *Carabineros* are fairly well provided with small arms, but are somewhat hampered by shortages of modern transportation and communications equipment.

13. The Chilean military forces are proud of their role as the ultimate guardians of constitutional order and their corollary tradition of nonintervention in politics in support of party interests. They would almost certainly uphold the authority of any duly elected government, unless, in their judgment, the government itself had moved to subvert the established constitutional order. Thus the military would probably accept the installation of a duly elected FRAP government, though distrustful of it. Such a government would in turn distrust the military and seek to gain effective control over them, but this would be a ticklish operation involving considerable risk of provoking a military reaction, as in Brazil.

~~SECRET~~

ANNEX F

COLOMBIA

SUMMARY

The Colombian state and society are not well integrated. Deprivation and dissatisfaction are widespread in the mass of the population, both rural and urban. The present National Front regime is a device to ensure political stability by ending the traditionally violent competition between the Liberal and Conservative parties. It is not well designed to facilitate needed social reform and is subject to the charge that it represents continued control by the oligarchy.²⁰

The organization and discipline of the Communist Party of Colombia (PCC) are weak. The party leadership considers that a resort to violence in present circumstances would be counterproductive and prefers political action. Precluded from direct participation in elections, the party has successfully penetrated the dissident wing of the Liberal Party (the MRL). However, impatient elements under Chinese, Cuban, and Venezuelan Communist influence have been endeavoring to organize an active resistance movement on the model of the Venezuelan FALN. If they should succeed in doing so, the counterinsurgency capabilities of the Colombian security forces would be severely tested.

Communist potentialities in Colombia—both political, through the PCC and MRL, and insurrectionary, through the would-be Colombian FALN—will depend in large measure on whether the National Front government can convince the people that it can and will carry out an effective social reform program within a reasonable time.

The Basic Situation

1. The Colombian state and society are not well integrated. The population, about 16 million, is considerably mixed: about 20 percent white, 57 percent mestizo, 14 percent mulatto, 4 percent Negro, 3 percent zambo, and 2 percent

²⁰The National Front now has the positive support of only about 23 percent of the Colombian electorate, as against the positive opposition of about 10 percent. (See para. 11.)

~~SECRET~~

31

~~SECRET~~

Indian. Social distinctions are marked: there are a few thousand very wealthy people; a small, though growing, middle class; and a mass of "miserables." Only 60 percent of the population are literate. A notably rugged terrain and a consequent paucity of internal communications have fostered localism and individualism. Since 1945 there has been considerable economic development, almost entirely through private enterprise, but in the back country the conditions of life have remained unchanged, except for the worse as a result of "The Violence."

2. For nearly a hundred years the political history of Colombia was one of intermittent civil war between the Conservatives and the Liberals. These parties were led by opposing factions of the aristocracy, but involved followers from all levels of society. The consequent antagonism and distrust between Liberals and Conservatives still affect Colombian political life. This conflict has the characteristics of a blood feud, without reference to modern political issues.

3. Nevertheless, during the period 1920-1946 Colombia gained a reputation for political stability and democratic electoral processes. These elections offered the voters only a choice between competing factions of the oligarchy, but, in comparison with the previous period, the acceptance of the electoral results was a notable advance. During this period the Liberals emerged as the majority party.

4. About 1945 a new development occurred. A Liberal leader, Gaitán, sought to make that party the leader of the masses against the oligarchy. The consequent split in the party resulted in the election of a Conservative president in 1946. There was increasing violence in the countryside as irreconcilable Liberal partisans resisted the authority of the minority Conservative government and Conservative partisans joined in the efforts of the police to suppress them. The political tension became so great that the murder of Gaitán, in 1948, precipitated the famous "Bogotazo,"²¹ which was followed by virtual civil war in the countryside. This violence in the countryside caused not only considerable destruction of lives and property, but also a great migration of destitute peasants to the cities in search of security and employment.

5. The trend toward anarchy was checked in 1953, when General Rojas Pinilla overthrew the minority Conservative government and established himself in power. He sought to consolidate his position by enlisting the support of the masses against the oligarchy through the development of a Peronist-type mass party. This threat to the traditional political and social order prompted the oligarchic leaders of the Liberal and Conservative parties to compose their differences. The military then overthrew the dictator, in 1957, and the National Front regime was established, in 1958.

6. The basis of the National Front is a constitutional amendment which provides that the Liberals and Conservatives shall hold the presidency alternately

²¹ The Communists had planned demonstrations intended to embarrass the Inter-American Conference then in session in Bogotá, but did not precipitate the "Bogotazo." When it happened, they of course made the most of it.

~~SECRET~~

~~SECRET~~

until 1974, and that all other elective and appointive offices shall be shared equally between the two parties, regardless of their relative electoral strength. To ensure that neither can impose on the other, a two-thirds majority is required to enact significant legislation.

7. The National Front system was designed to re-establish a stable civil government by ending the intense and bitter competition between the Liberal and Conservative parties. It was not designed to facilitate needed social reform. The oligarchy still dominates both parties. The responsible party leaders—e.g., former President Lleras Camargo (1958–1962) and President Valencia—have understood that an effective program of social rehabilitation and reform would be required to ensure long-term political stability, but their efforts to this end have been hindered by their lack of control over their parties' representatives in Congress and by the requirement for a two-thirds majority. Significant social legislation has been enacted, but only after long delays, and so far its implementation has not been impressive. This record has lent plausibility to the charge that the National Front is a device to perpetuate the power of the oligarchy and to prevent any real social reform.

8. Although the National Front system confers upon the Liberal and Conservative parties a joint monopoly of public office, anyone can declare himself to be a Liberal or a Conservative and run for election in opposition to other Liberals or Conservatives. Thus there is in Congress a duly elected opposition to the National Front composed of the nominally Liberal MRL and the nominally Conservative ANP.²² Together, these two groups control almost one-third of the seats.

9. The MRL began as a move by Alfonso López Michelsen to capture the leadership of the Liberal Party and withdraw it from the National Front, on the ground that the Liberal majority ought not to share public offices with the Conservative minority. Failing in this, the MRL has become, in effect, an opposition political party, and has drawn to itself a variety of people, including Communists, who have no other way to oppose politically the National Front. The MRL now includes some five factions classified loosely into two groups: moderates who would prefer to operate within the Liberal Party and extremists who are irreconcilable in their attitude toward the oligarchy and the National Front.

10. The ANP is the personal vehicle of Rojas Pinilla, who is attempting a political comeback. There is a tendency to classify the ANP as rightist because its candidates run as Conservatives. Actually, Rojas Pinilla is as bitterly opposed to the oligarchy as anyone and is quasi-Peronist in his political outlook.

11. More significant than the vote for these opposition elements is the fact that only about one-third of the qualified voters went to the polls in the March 1964 congressional election. The absence of any contest between the Liberals and Conservatives has tended to reduce the vote in Colombian elections, but

²² The Liberal Revolutionary Movement and the National Popular Alliance.

~~SECRET~~

33

~~SECRET~~

that factor is not sufficient to explain abstention on such a scale—after all, there were contests between the regular Liberals and the MRL, the regular Conservatives and the ANP. The abstention of two-thirds of the voters must indicate a widespread lack of enthusiasm for the National Front on the part of people not yet prepared to support either the MRL or the ANP. In short, the National Front now has the positive support of only about 23 percent of the Colombian electorate, as against the positive opposition of about 10 percent.²³

12. Meanwhile, back in the countryside, the Liberal and Conservative partisans have buried the hatchet, in deference to the National Front, but many former guerrilla bands retain their identities and could resume hostilities against each other or against the government if moved to do so. The former guerrilla leaders are now the political bosses of their respective districts, deriving their authority from their capacity for violence if sufficiently provoked.

13. Although the guerrilla warfare between Liberals and Conservatives has ceased, violence still occurs in parts of the countryside. It is racketeering and banditry—criminal rather than political activity—carried on by former guerrillas psychologically unable to settle down and by younger imitators. President Lleras Camargo hesitated to take vigorous action against these bandit gangs for fear of restarting the guerrilla warfare. President Valencia has done so with considerable success. A measure of his success is that only 1,369 people were atrociously murdered by bandits in 1963, as compared with 2,496 in 1961.

Communist Elements

14. The Communist Party of Colombia (PCC) is now estimated to have about 17,000 members, including about 4,000 members of its youth group (JCC). The party's organization and discipline are weak. The pro-Soviet leadership has little control over the party's pro-Chinese and pro-Castro elements or over the JCC, which is itself badly disorganized. The party controls no important student organizations and has no significant influence in the two principal labor confederations. It does control the Federation of Petroleum Workers and has made it the nucleus of a third labor confederation representing perhaps 12 percent of organized labor.

²³ The election returns were as follows:

	PERCENT OF VOTE	PERCENT OF ELECTORATE	SEATS
The National Front:			
Conservatives	36	12	66
Liberals	33	11	59
Total	69	23	125
The Opposition:			
ANP	14	5	26
MRL moderates	13	4	23
MRL extremists	4	1	8
Other			2
Total	31	10	59

~~SECRET~~

~~SECRET~~

15. During the guerrilla war, Communist-led bands gained control of six small, isolated areas in the mountains south and southwest of Bogotá and 40 to 200 miles distant from the city.²⁴ Five of these Communist guerrilla bands are now inactive, but like the Liberal and Conservative ones, they could be quickly reactivated. All told, these five bands number perhaps 1,500 men. The sixth, that in the Marquetalia area, has engaged in banditry and is now being pursued by the Colombian Army.

16. Because of the ineffectuality of the PCC, a number of activist splinter groups have sprung up, notably the FUAR, MOEC, PRS, and URJC.²⁵ Such groups may have an aggregate active membership of about 1,000. They have connections with Communist China, Cuba, and the Venezuelan FALN. Their purpose is to foment active resistance to the regime, including guerrilla insurgency and urban terrorism. They have distributed Communist literature to some of the active gangs in violence areas and are presumably responsible for recent demonstrative bombings in Bogotá and other cities.

17. There are no Communist diplomatic missions in Bogotá, but there are a Czech consulate-general and East German and Yugoslav commercial missions there.

Communist Strategy

18. The PCC holds that the "revolutionary road" in Columbia could be a combination of "elections and parliamentary action to sharpen the crisis of the anti-democratic (i.e., National Front) system, strikes and mass demonstrations in the cities and proletarian centers (i.e., the oil fields), rural struggles for land, and (defensive) guerrilla actions against official violence." The party leadership, concerned to protect the party's legal status, considers that aggressive resort to guerrilla insurgency and urban terrorism would be counterproductive at this time.

19. The National Front system precludes open Communist participation in elections and in Congress. The party, however, supports electorally the extremist wing of the MRL and has strong influence within it; some leaders of this wing are probable crypto-Communists.

20. The strategy of the Communist splinter groups—the FUAR, MOEC, etc.—is diametrically opposite to that of the PCC. They have been endeavoring to organize and lead an active resistance movement on the model of the Venezuelan FALN. They have drawn extremists from the MRL and ANP into these discussions. So far, however, they have not succeeded in developing an effective organization or even effective coordination among the many elements involved.

21. Communist potentialities in Colombia—both political, through the PCC and MRL, and insurrectionary, through the would-be Colombian FALN—will

²⁴ Namely, Viota, Sumapaz, Medellín del Ariari, El Pato, Riochiquito, and Marquetalia.

²⁵ That is, the United Front for Revolutionary Action, the Worker-Student-Peasant Movement, the Socialist Revolutionary Party, and the Union of Revolutionary Youth of Colombia.

~~SECRET~~

35

~~SECRET~~

depend in large measure on whether the National Front government can convince the people that it can and will carry out an effective social reform program within a reasonable time.

The Security Forces

22. The Colombian security forces number about 91,500 men, as follows:

Army	48,000
Navy	4,100 (incl. 1,850 Marines)
Air Force	4,700 (incl. 2,280 civilians)
National Police	31,600
DAS (cf. FBI)	3,100

23. Not until 1962 were the Colombian security forces fully committed to an effort to control the rural violence. Since then they have made considerable progress in reducing it, though insecurity still prevails in parts of the countryside.

24. If the Communists should succeed in developing a resistance organization as effective as the Venezuelan FALN, the capabilities of the Colombian security forces would be severely tested. The Colombian government, however, is receptive to US advice and assistance in the development of the counterinsurgency capabilities of its military and police forces, and it is likely that those capabilities will be developed at least as fast as Communist capabilities for rural or urban violence.

~~SECRET~~

~~SECRET~~

ANNEX G

COSTA RICA

SUMMARY

Costa Rica has long been noted as a politically stable and genuinely democratic country. The present administration is of a moderate reformist character, but is in economic and financial difficulties. The weak Communist party has hitherto found it expedient to acknowledge the democratic character of the regime and to seek to influence policy only through legitimate political propaganda and action. In this it has been notably unsuccessful. Its present capabilities for revolutionary action are minimal.

The Basic Situation

1. Among Latin American states, Costa Rica (20,000 square miles, 1.3 million people) has long been noted for its almost entirely white population, its high literacy rate, its generally equitable distribution of land and income, its political stability and democratic tradition, and its relatively advanced social services. However, the economy is heavily dependent on the exportation of coffee and bananas. The decline in the prices received for those products, in combination with one of the world's highest population growth rates (4 percent), has resulted in chronic trade and budget deficits, declining per capita income, and an inability to maintain expected social services. For example, the inadequacy of the once-famous school system to accommodate the increasing school-age population has resulted in a decline in literacy to about 60 percent. The country's economic problems have also been aggravated by the ash fall from Irazu volcano.

2. The administration of President Orlich, whose term extends into 1968, is closely related politically to the *Acción Democrática* regime in Venezuela. It is committed to moderate reform in consonance with the Alliance for Progress, but lack of discipline in the administration party and strong conservative opposition has blocked necessary legislative action. The administration is also hampered by its financial difficulties and is subject to popular criticism as a result of the deteriorating economic situation.

Communist Elements

3. The Communist Party in Costa Rica, called the Popular Vanguard Party (PVP), has only about 370 members, but its experienced leaders have consider-

~~SECRET~~

37

~~SECRET~~

able prestige in Communist circles and about a quarter of its members have received advanced training in the Soviet Bloc. The party was outlawed in 1948, but its agitational activities are normally tolerated, subject to occasional crackdowns, as at the time of the Cuban missile base crisis in 1962.

4. There are no resident Communist diplomatic missions in San José, although the Yugoslav and Polish ambassadors in Mexico are also accredited to Costa Rica. There is a Czech commercial mission in San José.

Communist Strategy

5. The PVP has found it expedient to acknowledge that Costa Rica is a progressive democracy and to direct its efforts primarily toward political action in that context, albeit without any notable success. It has been generally frustrated by the anti-Communist attitudes and activities of the political parties and of student, civic, and business organizations, but has gained some influence in labor organizations in San José and on the banana plantations.

6. About 350 Costa Ricans (not all PVP members) have traveled to Cuba for revolutionary indoctrination. About 30 of them have been trained in guerrilla tactics and are now training small groups in Costa Rica. It is uncertain whether this activity is under PVP control, and whether it represents a definite plan to resort to revolutionary violence or only the development of a contingency capability.

7. The PVP still has some political potentialities. The economic and financial difficulties of the Orlich administration enhance the prospects of the conservative Republican Party in the general election to be held in 1966. The PVP can offer perhaps crucial electoral support to the Republicans, in return for favor and patronage, as it did in 1948.

The Security Forces

8. Democratic Costa Rica prides itself on having no army. Its police-type public security forces total about 3,000, including the 1,500-man Civil Guard, a paramilitary constabulary. These forces are not adequate to prevent extensive smuggling, which could include gun-running. They could probably control any insurgency of which the Communists are presently capable, but could not cope with a well-sustained and prolonged guerrilla campaign. The civil population, however, would be strongly disposed to resist any such Communist attack on Costa Rican democracy.

~~SECRET~~

~~SECRET~~

ANNEX H

THE DOMINICAN REPUBLIC

SUMMARY

The Dominican Republic is poorly developed economically, socially, and politically. Its present civil government was put in office by the military establishment and rules at military sufferance. It has the support of some upper and middle class elements, but is opposed by most politically organized Dominicans. The general population is apathetic toward it. Whether an elected government will be installed in late 1965, as is now scheduled, is problematical. An insurrectionary attempt in late 1963 was a fiasco, but Castroists are still trying to organize resistance on the model of the Venezuelan FALN. It is unlikely that they will gain much popular support unless and until populist political elements become sufficiently frustrated, embittered, and desperate to turn to revolutionary action. There is no early prospect of such a development.

The Basic Situation

1. There are about 3.3 million Dominicans—15 percent white, 70 percent mulatto, 15 percent black. A few belong to the upper and middle classes. The remainder live in poverty, perhaps two-thirds of them by subsistence farming entirely outside the money economy. Half of the population is illiterate; very few have any technical skill. The corrupting influence of the 31-year Trujillo dictatorship persists. Personal expediency is the prevailing rule of conduct; there is little or no sense of civic responsibility.

2. In December 1962, [] the interim Council of State conducted a free election which resulted in the defeat of the upper and middle class group (the UCN) which had brought the Trujillo regime to an end. The presidency was won by Juan Bosch, a populist candidate who had returned from 25 years in exile only after it was safe to do so. With 58 percent of the popular vote, a two to one advantage over his nearest opponent, and overwhelming majorities in both houses of the legislature, Bosch had a clear mandate to transform political, economic, and social conditions in the Dominican Republic. Unfortunately, his experience in exile had not prepared him to cope with the practical problems inherent in such a task. With reason perhaps, he trusted no one. He spent his personal efforts on doctrinaire formulations of policy highly

~~SECRET~~

39

~~SECRET~~

alarming to vested interests and accomplished almost nothing of practical benefit to the masses. He was indifferent to Communist organizational activity, considering that not to be an urgent problem. He thus provided his enemies with a pretext. In September 1963, after only seven months in office, he was overthrown by a military coup supported by upper class political elements. There was no popular reaction in his defense, in part because it would have been futile to resist the military, but also in part because of popular disillusionment with him.

3. The civil government installed by the military is identifiable with the upper and middle class elements which were signally defeated by Bosch in the 1962 election. Lacking any legal or popular mandate, it derives its authority from the fact of US recognition and from the continuing support of the military. The military do not interfere in the ordinary administration of the government, but retain an implicit control over it.²⁶ The civil administration is attempting to restore financial stability, but has accomplished little toward economic development and has undertaken nothing in the way of social reform.

4. In November 1963 leftist elements²⁷ launched a guerrilla resistance movement, expecting thereby to arouse popular opposition to the military regime. There was, however, no appreciable popular response. The military quickly and effectively stamped out the incipient insurgency.

5. Although the Reid government is generally supported by the elements which composed the UCN, it is criticized and opposed by all other organized political groups. The principal opposition parties are Bosch's Dominican Revolutionary Party (PRD), Balaguer's Reformist Party (PR),²⁸ and the Revolutionary Social Christian Party (PRSC).

6. [] the provisional government has projected an elaborate series of elections, beginning with municipal elections in late 1964 and culminating in a presidential election in July 1965. This plan, however, is now tacitly in abeyance. From the point of view of the present administration, any free election would almost certainly be won by populist candidates (as in 1962), an undesirable result. Reid would therefore like to defer elections for as long as possible. The opposition parties have been seeking to agree among themselves regarding an electoral plan which they might then try to impose upon the government, but the government and the military would be unlikely to accept any

²⁶ There have been personnel changes in both the civil administration and the military high command without any change in this relationship. The present head of the civil government is Donald Reid Cabral. The titular head of the military establishment is General Víctor Elba Vías Roman, but the most powerful military leader is General Elias Wessin y Wessin. It was Wessin y Wessin who precipitated the overthrow of President Bosch.

²⁷ Principally the 14 June Political Group (APCJ). See paras. 7-9.

²⁸ Joaquín Balaguer was titular president, 1960-1962—that is, during the last months of the Trujillo regime and also during the transition, until superseded by the interim Council of State.

~~SECRET~~

~~SECRET~~

plan that did not ensure the election of a president acceptable to them. No solution of this problem is now in sight.

Communist Elements and the ACPJ

7. There are three subversive organizations operating in the Dominican Republic. They are the Moscow-recognized Dominican Popular Socialist Party (PSPD), the Castroist Dominican Popular Movement (MPD), and the 14 June Political Group (APCJ). All three are now outlawed. All told, they have about 4,000 active members concentrated chiefly in urban areas and in student and other youth groups.

8. The PSPD is not an important factor in the situation. It has only about 300 members and no considerable popular following. The even smaller but more aggressive MPD is more significant. In 1963 it took from the PSPD the leadership of the Communist student group which controls the student organization of the University of Santo Domingo. But the main strength of militant disaffection in the Dominican Republic lies in the APCJ.

9. The APCJ originated as a clandestine organization committed to the overthrow of the Trujillo dictatorship. Its leaders were not Communists, but were willing to accept aid from a revolutionary Cuba not yet identified as Communist. After the fall of the Trujillo regime, the APCJ emerged as a radically leftist political party, but one which refused to coalesce with the Communist MPD and PSPD. When President Bosch was overthrown, the APCJ did collaborate with the MPD in attempting to lead a popular resistance movement, but in this most APCJ members considered themselves to be democrats resisting a *Trujillista* military tyranny. Most of the insurrectionary APCJ leadership was killed, jailed, or driven into exile during the suppression of the late 1963 insurrection.

10. There are no Communist diplomatic or other official missions in the Dominican Republic.

Communist Strategy

11. The strategy of the PSPD is to keep out of trouble, meanwhile organizing, indoctrinating, and infiltrating as best it can, in the hope that eventually an elected government will allow it a wider range of opportunities, as did President Bosch. The PSPD leadership has expressed scorn for the amateurish adventurism of the MPD and APCJ, judging that the Dominican people are not yet ready for violent revolution. The failure of the 1963 insurrection would seem to have justified this Communist judgment.

12. The MPD and some APCJ elements seem undeterred by the disastrous result of their late 1963 attempt at insurrection. They are still trying to organize a resistance movement on the model of the Venezuelan FALN. However, a large segment of the APCJ, perhaps a majority, clearly prefers to return to political action. The PRSC supports and encourages this tendency; in con-

~~SECRET~~

41

~~SECRET~~

sultation with the other opposition parties regarding an election plan, it has insisted on provision for the participation of the APCJ.

13. In late 1963 Cuba attempted to deliver supplies to the Dominican insurgents, but the operation miscarried. The Cuban radio continues to broadcast incendiary propaganda to the Dominican Republic and Cuba continues to train Dominicans in the techniques of guerrilla warfare and urban terrorism. Almost certainly Cuba would render such clandestine aid as it could to any renewal of insurgency in the Dominican Republic.

14. The Dominican people are accustomed to poverty and to authoritarian government. It is unlikely that the Communists will succeed in arousing the masses against the regime unless and until the populist elements such as the PRD become so frustrated, embittered, and desperate that they are moved to follow Communist revolutionary leadership. There is no early prospect of such a development.

The Security Forces

15. The Dominican security forces now number about 28,400 men, as follows:

Ground forces	12,200
Navy	3,200
Air Force	3,800
National Police	9,200

16. With reason, the late dictator took care to maintain armed forces relatively efficient for the maintenance of internal security. The present establishment proved its effectiveness in quickly suppressing the late 1963 insurrectionary attempt. It is receiving special counterinsurgency training under US auspices, and will probably be well able to cope with any future attempt at guerrilla action, though it might have difficulty in controlling urban terrorism.

17. The Dominican officer corps is determined to preserve its privileged position in Dominican society, including its valuable perquisites. Its continuing identification with the Trujillo regime is both an asset, in terms of psychological dominance, and a liability, in terms of political resentment. The question is whether it will allow a political evolution sufficient to forestall eventual pressures for revolutionary change.

~~SECRET~~

~~SECRET~~

ANNEX I

ECUADOR

SUMMARY

In Ecuador a small white oligarchy has dominated and exploited the great bulk of the population composed of mestizos and Indians. The principal parties and politicians have paid lip service to social reform, but the political realities were such that no significant reform legislation could be enacted. The Military Junta which took power in July 1963 has undertaken to effect a thorough reconstruction of the country's outmoded political and social system before returning power to an elected civil government. The will and ability of the Junta to accomplish this formidable task remains in doubt. Civilian politicians, however, are already pressing the Junta to schedule elections.

The Communists in Ecuador are few in number, suppressed, and divided into "soft" and "hard" line factions. For the present they constitute no serious threat. They would probably have more scope for action under civilian rule or if serious popular unrest should develop because of the Junta's refusal to hold elections.

The Basic Situation

1. Ecuador is a relatively undeveloped country. Only 6 percent of the land is cultivated; industrial development is slight. The population, about 4.7 million, is 10 percent white, 40 percent mestizo, 40 percent Indian, 5 percent Negro, and 5 percent Asian and miscellaneous. Over a third of the Indians speak only Quechua and live in isolation from the Spanish-speaking community. About half of the population is illiterate.

2. The political and social system which still prevails in Ecuador has enabled a small white oligarchy to dominate and exploit the great bulk of the population. In practical effect, eligibility to political office has been limited to members of the oligarchy and elections have been merely contests for power and its perquisites within that group. The principal parties and politicians paid lip service to social reform—the last two constitutional presidents were notably demagogic—but no significant reform legislation was enacted. In addition to the interest of the oligarchy in the preservation of the status quo, Ecuadoran politics were characterized by such bitter factionalism and personal animosities

~~SECRET~~

43

~~SECRET~~

that effective political collaboration in support of a constructive program was inconceivable under the constitutional system which existed prior to the overthrow of President Arosemena.²⁹

3. The military Junta which took power in July 1963 has undertaken to effect a thorough reconstruction of the country's outmoded political and social system before returning power to an elected civil government. Whether the Junta itself has the will and ability to accomplish such a formidable undertaking remains in doubt,³⁰ but it is unlikely that any substantial reform could be accomplished by any other means.

4. The Junta is opposed by the militant partisans of Velasco Ibarra and Arosemena, and by the various Communist elements, for obvious reasons. Not only has it suppressed these opponents; the success of its reform program would deprive them of their political stock-in-trade. The political groups which initially supported the Junta are now beginning to call for a "return to politics."

Communist Elements

5. Prior to the July 1963 coup, the Communist Party of Ecuador (PCE) had only about 3,000 members, but had gained significant influence in teacher, student, and labor organizations.³¹ A split was developing, however, between the national organization, established in Guayaquil, and the Pichincha (Quito) provincial organization. This split was related to the Sino-Soviet controversy, but it also had Ecuadoran regional and social aspects. The Guayaquil faction was Soviet-oriented, but also labor based. It advocated a nonviolent, pragmatic approach to social revolution in collaboration with other political parties. The Pichincha faction was composed primarily of students and intellectuals, without much contact with the masses, but with a doctrinaire commitment to violent revolution.

6. In July 1963 the Military Junta outlawed the Communist Party, imprisoned most of its leaders or drove them into exile, and launched a vigorous program of surveillance and repression of Communist activities. Only an estimated 500 Communists remain clandestinely active in Ecuador. But by locking up the Communist national leadership, the Junta unintentionally conferred an advantage on the Pichincha faction, the leaders of which remain at large, though underground.

7. In addition to the Guayaquil and Pichincha factions of the PCE, there is a Communist-led front group, the Revolutionary Union of Ecuadoran Youth

²⁹ Arosemena was elected Vice President in 1960 and succeeded President Velasco Ibarra when he was expelled from office by the military in 1961. [redacted] subject to Communist influences, Arosemena was himself expelled by the military in July 1963.

³¹ The principal labor central, CTE, has been Communist-controlled from its foundation and is the only WFTU-affiliated national labor central in Latin America.

~~SECRET~~

~~SECRET~~

(URJE) which is Castroist in orientation. The URJE once had about 2,500 members. Even while Arosemena was pursuing a policy favorable to Cuba, the URJE was attempting to organize a guerrilla resistance movement, but that resulted in a fiasco. Partly because of the ensuing recriminations, the URJE is now divided into several factions. Most of its members have drifted away.

8. There are no official missions from Communist countries resident in Ecuador. The Yugoslav ambassador to Venezuela is duly accredited. Just as Arosemena was about to establish relations with the USSR, the military forced him to desist, and to break relations with Cuba, Czechoslovakia, and Poland.

Communist Strategy

9. The national organization of the PCE (the Guayaquil faction) seeks to discredit the Junta as a military dictatorship and, in conjunction with other political parties, to arouse an insistent popular demand for the early re-establishment of a duly elected and constitutional civil government. Under such a government the PCE would expect to be free to work through popular front tactics to gain political influence and thus to further the cause of the eventual revolution. Pursuit of this strategy has involved the PCE in the revolutionary plotting of both Velasco Ibarra and Arosemena.

10. The "pro-Chinese" Pichincha faction (which has some adherents in Guayaquil) is endeavoring to form a revolutionary "national liberation front" composed of all disaffected elements. It has received considerable financial aid from both China and Cuba; some 200 Ecuadorans have received subversive training in Cuba and a few have recently received such training in China. The Chinese, however, have sharply criticized the "pro-Chinese" Ecuadorans for threatening to break with the PCE instead of staying to capture control of it. The Chinese have advised against premature armed insurrection in Latin America and have emphasized the importance of long-term organizational work and of participation in elections. The "hard line" faction, however, is "pro-Chinese" precisely because of its own predilection to violence. It is therefore unlikely to follow such sophisticated Chinese advice.

11. The URJE is no longer a serious factor in the situation. The Cubans have thrown their support to the Pichincha faction; the URJE remnant is little more than an adjunct to it.

The Security Forces

12. The Ecuadoran security forces number about 18,300 men, as follows:

Army	10,000
Navy	1,700
Air Force	1,600
National Police ..	5,000

13. These forces are not efficient. In particular, the government's internal intelligence and border and coastal patrol capabilities are weak. Ordinary

~~SECRET~~

45

~~SECRET~~

smuggling is commonplace; gun-running is correspondingly feasible. The security forces are probably capable of defeating any early revolutionary attempt by the dissident forces which now exist, but they would have serious difficulty in coping with a well prepared and well sustained guerrilla resistance movement, should one develop on the model of the Venezuelan FALN.

~~SECRET~~

~~SECRET~~

ANNEX J

EL SALVADOR

SUMMARY

There are acute social tensions in El Salvador which, in the past, have been subject to Communist exploitation. The present government, however, has not only suppressed Communist activities, but has also made a good record of accomplishment in evolutionary social and political reform. Communist strength and influence have markedly declined. There is no present threat to the stability of the reformist regime.

The Basic Situation

1. There are about 2.7 million Salvadorans—about 10 percent white, 80 percent mestizo, and 10 percent Indian. Somewhat more than half of them are illiterate. There are extreme contrasts of wealth and social status; the country is said to have been dominated by "Fourteen Families." Rapid population growth is pressing upon the available arable land; urban employment opportunities are limited. The social tensions existing in these circumstances have produced several explosions: a bloody peasants' revolt in 1932, a student-worker uprising in 1948. In October 1960 a military coup brought to power a junta with strong leftist tendencies, but three months later it was overthrown by a military counter-coup.

2. President Julio Rivera had a leading part in the military coup of January 1961, but derives his present authority from a constitutional election held in April 1962. His term extends to July 1967. His administration has a good record of accomplishment in evolutionary social reform and it has conducted effectively democratic legislative and municipal elections. In this it has the support of the military. The officer corps, predominantly of middle class origin, is opposed to oligarchic domination as well as to communism. The erstwhile oligarchy itself appears to be accepting the changed situation.

Communist Elements

3. The Communist Party of El Salvador (PCES) has been in decline since a stringent anti-Communist law was enacted in 1962. It is now estimated to have only some 200 active members. A Communist-front political party, the Revolutionary Party of April and May (PRAM), has also been outlawed. It is estimated

~~SECRET~~

47

~~SECRET~~

to have about 1,000 members. The PCES controls the CGTS, a labor confederation with some 3,000 members, but the CGTS has been overshadowed by the CCS, a government-sponsored non-Communist confederation with 20,000 members. At the National University, the Communists control only the law students' organization, as the result of a recent election upset.

4. The Sino-Soviet controversy is reflected within the PCES, some members of which were disgusted by the Soviet backdown in the Cuban missile base crisis of October 1962. The party leadership, however, remains loyal to the USSR. Although some 32 Salvadorans have received guerrilla training in Cuba, there is no indication of an incipient guerrilla threat in El Salvador.

5. There are no official missions from Communist countries in El Salvador.

Communist Strategy

6. Declaring that the "democratic liberation" of El Salvador could be accomplished only by violence, the PCES formed a front organization for that purpose, the United Front for Revolutionary Action (FUAR). No violence ensued, however—the FUAR appears to be a paper tiger. More recently the PCES has been seeking the recognition of PRAM as a legal political party. This may indicate a current preference for political action.

The Security Forces

7. The security forces of El Salvador number about 7,800 men, as follows:

Army	3,400
Navy	300
Air Force	100
National Guard ²²	1,500
National Police	1,400
Other police forces ²³	1,100

In addition to these regular forces, there is a 31,000-man Territorial Service composed of selected civilian volunteers under military direction and control. These men keep their local communities under surveillance while engaged in their normal weekday occupations, and make organized patrols of the countryside on weekends.

8. These forces are not efficient, but they are almost certainly adequate to maintain internal security against the existing Communist threat.

²² A paramilitary constabulary responsible to the Minister of Defense.

²³ Treasury, customs, and municipal police.

~~SECRET~~

~~SECRET~~

ANNEX K

GUATEMALA

SUMMARY

The liberal Guatemalan Revolution of 1944 was frustrated first by Communist penetration of the Arbenz regime, then by the reaction to that. The present military regime of Colonel Enrique Peralta is moderately reformist, but authoritarian. Communist capabilities in these circumstances are very limited. Communist efforts are directed toward fomenting an active and violent popular resistance to the Peralta regime as a usurping military dictatorship. The Communists cannot expect to overthrow the regime. Their object must be to provoke it to take such repressive measures as would alienate the general population and frustrate popular expectations of evolutionary political and social reform. If the regime were to be overthrown by a general popular and military reaction in such circumstances, the Communists might regain opportunities such as those which they enjoyed under Arbenz.

The Basic Situation

1. The population of Guatemala, 4.1 million, is 4 percent white, 42 percent mestizo, and 54 percent Indian. About 70 percent of the people are illiterate; indeed, few of the Indians even speak Spanish. About 70 percent of the people live in rural areas. The effective public life of the country is confined to the cities and towns. Consequently, only about a third of the people participate in it, even peripherally.

2. Until 1944 Guatemalan society was dominated by a small white upper class, usually under the authoritarian rule of a long-term military dictator.³⁴ In that year there was a revolution which is the point of reference for subsequent political and social developments. It was essentially an urban middle class revolt against military dictatorship and social domination by the landed gentry. Its goals were democratic representative government, recognition for organized labor, agrarian reform, the integration of the Indians and other peasants into the national community, and the active participation of the state in economic development.

³⁴ The last such dictator was General Jorge Ubico, 1931-1944.

~~SECRET~~

49

~~SECRET~~

3. In striving to achieve these goals against the resistance of vested interests, President Juan José Arévalo (1945-51) found himself increasingly dependent on the aid of extreme leftists, including some few Communists. His successor, Colonel Jacobo Arbenz, was even more dependent on such aid. By 1954 a handful of hardworking Communists under Arbenz' protection were well on their way toward gaining control of Guatemala through their influence in the political apparatus, organized labor, agrarian reform, and a peasant militia in process of formation, all in the name of the essentially bourgeois Revolution of 1944.

4. The Arbenz regime was overthrown in 1954, since when anti-Communist conservative elements have controlled the government of Guatemala. The goals of the Revolution of 1944 have been ignored, although they still have popular appeal. Notoriously, the old-fashioned regime of General Miguel Ydígoras Fuentes (1958-63) was more interested in political power as a source of private gain.

5. Early in 1963 President Ydígoras, himself demonstratively anti-Communist, allowed Arévalo to return to Guatemala to campaign for the presidency as a populist candidate. Ydígoras apparently calculated that fear of a leftist-Communist resurgence would force his various political critics to support his personally chosen candidate, a corrupt crony. This scheme backfired; it began to appear that Arévalo would regain the presidency for want of a respectable alternative. That prospect impelled the military to seize power and cancel the election.

6. The military regime of Colonel Enrique Peralta is both authoritarian and reformist. For a year it maintained a state of siege, suppressing political as well as subversive activity. At the same time, it conducted an effective drive against corruption in government and adopted some social measures of benefit to organized labor. It contemplates an eventual return to elected civil government, but only under controlled conditions, after a reform of the constitution and the electoral process. The first step in this direction, the election of a constituent assembly, was in effect limited to a yes or no vote on a single list of government-approved candidates. The political elements excluded by this process are highly critical of the authoritarian character of the regime. The general public, however, appears to be at least acquiescent, having scant respect for the opposition politicians and some appreciation of the greater honesty and administrative competence of the regime.

Communist Elements

7. Even in its heyday (1954) the Communist Party of Guatemala (PGT) had only some 4,000 members. Its power was derived, not from popular support, but from the personal influence of a few individual Communists on President Arbenz and within his administration. Since 1954 the party has been proscribed and harried. It now has only about 1,200 members, only about 500 of whom

~~SECRET~~

~~SECRET~~

are active militants. These militants, winnowed by adversity, are probably more disciplined and reliable than most Latin American Communists.

8. In addition to the PGT, there has been for three years a small guerrilla resistance movement in the mountains of eastern Guatemala near Lake Izabal. It is led by Marco Antonio Yon Sosa, a renegade army officer who has avoided identification with the PGT but has accepted Cuban aid, including guerrilla warfare training for himself and others in Cuba. Perhaps no more than 125 guerrillas have ever been active at any one time, but the government has not been able to stamp out this activity and the guerrillas have continued to carry out sporadic acts of terrorism. Small as it is, this is the most active guerrilla movement in Latin America after that in Venezuela.

9. There are in Guatemala no official missions from Communist countries.

Communist Strategy

10. Guatemala is a favorite target of Cuban propaganda, which presents the Peralta regime as a ruthless military dictatorship, a typical product of Yankee imperialism, and incites the Guatemalan people to rise against it. Former President Arbenz resides in Cuba and is retained by Castro as a potential leader for a national liberation movement. The Cubans consider Yon Sosa's guerrilla movement a notable success; Fidel Castro has singled it out for special praise in conjunction with praise for the Venezuelan FALN. Continuing, and perhaps increasing, Cuban support for the movement is therefore to be expected.

11. The leaders of PGT are loyal to Moscow. Being effectively barred from political activity, they too are seeking to foment active and violent popular resistance to the Peralta regime as a usurping military dictatorship. They have sought, with slight success, to gain control of the guerrilla movement. They are now seeking to form a united resistance organization on the model of the Venezuelan FALN, under their control, but including all dissident elements, especially the frustrated Arevalists. Since their strength is urban rather than rural, they are more likely to launch a campaign of urban terrorism than to develop an effective guerrilla movement. They could not expect to overthrow the government by such means. Their object would be to provoke the military to take such repressive measures as would alienate the general population and effectively prevent evolutionary political and social reform, to the ultimate benefit of the revolutionary cause.

The Security Forces

12. The Guatemalan security forces number 11,600 men, as follows:

Army	7,200
Navy	100
Air Force	300
National Police	3,000
Other Police	1,000

~~SECRET~~

51

~~SECRET~~

13. The effectiveness of these forces, especially the police forces, is low, on account of the poor quality and low morale of the enlisted personnel and the general inadequacy of equipment and training, although some Army units have received US-sponsored counterinsurgency training during the last two years. Nevertheless, these forces are almost certainly capable of containing any present Communist capabilities for insurgent action. The security of the regime is likely to be endangered only if prolonged frustration of popular expectations of liberal political and social reform should engender a strong popular reaction supported by elements of the military. If the regime were to be overthrown in such circumstances, opportunities might be opened to the Communists similar to those which they enjoyed under Arévalo and Arbenz.

~~SECRET~~

~~SECRET~~

ANNEX L

HAITI

SUMMARY

Haiti is an extremely backward country, economically, socially, and politically. The Duvalier government is a personal dictatorship, purportedly based on popular consent, but actually supported only by those who derive personal advantage from it. Most internal opposition elements are either terrorized or apathetic. Nevertheless, any event which carried conviction that Duvalier's days were numbered—e.g., a really bold and resolute attack by exiles, or the incapacitation of Duvalier himself—would probably bring about a quick collapse of the regime.

The few Communists in the country do not dare to oppose the dictatorship. While avoiding identification with it, they are seeking positions of advantage under it in anticipation of the wide-open struggle for power likely to follow the death or overthrow of the dictator. Even in such circumstances, it is unlikely that they could achieve a dominant position in the country.

The Basic Situation

1. There are about 4.5 million Haitians, of whom less than one percent are mulattoes and the rest are black. Perhaps as many as 10 percent are literate in French; the rest are illiterate and speak Creole, a local dialect. The blacks are mostly peasants on very small, uneconomic landholdings, although some constitute an urban proletariat and a very few have achieved a social status comparable to that of the mulatto elite.

2. Haiti has never developed an effective electoral process; political power has always been acquired and held by military force, overt or latent. Since 1879 it has been politically necessary for the president to be black—except during the US military occupation and the next presidency thereafter, 1915–1946. The mulatto elite, however, continued to run the country until 1957. Their services were indispensable, since they had a virtual monopoly of education and managerial experience. As a class, they had no sense of civic responsibility and were concerned only to enlarge their personal fortunes and protect their superior social status. Inasmuch as no Haitian president ever retired voluntarily,

~~SECRET~~

53

~~SECRET~~

a system developed whereby a military junta would depose each president at the expiration of his constitutional term. His successor would then be selected in back room consultations and this selection would be formalized by duly constitutional processes.

3. This system broke down in 1957, because the several black leaders of the urban proletariat and of various peasant groups each refused to submit to being passed over. After a period of turmoil and instability, the Army conducted an election which brought Dr. Francois Duvalier to the presidency. The election was rigged, but Duvalier probably did have the at least passive support of most of the peasantry. He had the enthusiastic support of the black elite, who saw his election as a revolution against mulatto domination.

4. For that reason, the mulatto elite immediately began to conspire with the disappointed black leaders to unseat Duvalier. For a time his position was extremely precarious, but he survived by transforming his regime into a terroristic personal dictatorship. His chief instrument for this purpose is a "secret police" force, the *Ton Ton Macoutes* (bogeymen). Having terrorized all disaffected elements, they are now employed chiefly in extortion rackets. Another prop of the regime is a partisan militia, formed originally as a counterpoise to the regular military establishment. Successive purges of the officer corps have now given Duvalier effective control of the military as well.

5. The expiration of his constitutional term, in May 1963, was a critical date for Duvalier, but he easily broke up the military plot to oust him at that time and defeated several abortive invasion attempts by Haitian exiles. He has now proclaimed himself president for life,³⁵ and would appear to control the means of maintaining himself in power until his death or incapacitation. However, Duvalier's panicky reactions to recent incursions by Haitian exiles shows that even he still regards his tenure as precarious—because he cannot rely upon the loyalty of anyone. Any event which carried conviction that Duvalier's days were numbered—e.g., a really bold and resolute attack by exiles, or the incapacitation of Duvalier himself—would probably bring about a quick collapse of the regime.

6. Inasmuch as Duvalier has destroyed the customary process for arranging an orderly succession, his death, incapacitation, or overthrow is likely to be followed by a wide-open struggle for power. In such a struggle, the support or acquiescence of the Army is likely to be the determining factor.

Communist Elements

7. There are two small and apparently competitive Communist parties in Haiti, the People's Unity Party (PEP) and the People's National Liberation Party (PPLN). Since Duvalier tolerates no independent political activity, both are illegal and neither dares openly to oppose the regime. The PEP is probably

³⁵ Life tenure was customary during the first 65 years of Haitian independence, but fell into disuse when the last previous president for life faced a firing squad, in 1869.

~~SECRET~~

~~SECRET~~

the Moscow-connected party. Its appeal is addressed primarily to organized labor, in which it has some influence. The PPLN has a Castroist tone. It has influence among students, intellectuals, and civil servants; that is, among literate elements antipathetic toward the crude personalism and demagoguery of the Duvalier regime.

8. Two Polish commercial attaches are the only Communist diplomatic representatives resident in Port-au-Prince. The Polish ambassador to Mexico is also accredited to Haiti.

Communist Strategy

9. Despite Duvalier's strained relations with the US and his consequent approaches to the Bloc as an alternative source of support, neither the USSR nor Cuba has been willing to have anything to do with him. On the contrary, he is denounced by both Soviet and Cuban propaganda as a ruthless and corrupt dictator, a typical product of Yankee imperialism. But when the US imposes sanctions on Duvalier, by suspending US aid programs for example, that too is denounced as evidence of US imperialism and racism. In short, both the USSR and Cuba avoid identification with the disreputable Duvalier, but at the same time exploit the Haitian situation to make anti-US propaganda.

10. The PEP holds, rightly, that the Haitian masses are far from being ready to engage in an armed struggle for national liberation. The PPLN, particularly the party youth, tends to talk about such a struggle, but that is all. Neither party dares to oppose openly the Duvalier dictatorship. Both are apparently seeking only to accomplish such recruitment, indoctrination, and infiltration as they can pending the eventual death or incapacitation of Duvalier. Their achievements in this respect are not impressive.

The Security Forces

11. The security forces of the Duvalier regime number about 16,350 men, as follows:

<i>Ton Ton Macoutes</i>	1,500
Civilian militia	10,000
Army	4,400
Coast Guard	290
Air Force	160

12. Duvalier controls the situation in Haiti through the terror inspired by the *Ton Ton Macoutes* and the Haitians' lack of confidence in one another. But even the *Ton Ton Macoutes*, thugs who could expect to be lynched if the regime were to fall, might prove unreliable in the face of a resolute challenge. The civilian militia are an ill-armed rabble with no stomach for a fight. The armed forces would probably turn against the regime in any circumstances that freed their leading officers from fear of being individually eliminated. But very few Haitians will have the courage to defy the regime unless and until they are convinced that it is actually falling.

~~SECRET~~

55

~~SECRET~~

ANNEX M

HONDURAS

SUMMARY

Honduras has, generally, an early frontier character. The relatively homogeneous (mestizo) population is sparse; social distinctions are less marked than elsewhere in Latin America; the government exercises little control over the countryside. The present government is an undisguised military dictatorship. The Communists are seeking to foment and organize popular resistance to it. They are unlikely to achieve much success unless and until the deposed Liberal Party, which probably represents a majority of the people, despairs of recovering power, either by election or by military coup.

The Basic Situation

1. The population of Honduras, about 2 million, is one percent white, 90 percent mestizo, seven percent Indian, and two percent Negro. Over half the people are illiterate. The country has, generally, an early frontier character. The population is relatively sparse; only about a quarter of the land is cultivated; about half of it is forested. Social distinctions are less marked than elsewhere in Latin America. Except for the north coast banana plantations, large estates are rare. Most men are smallholders, and are armed. The government exercises little authority in the countryside. Smugglers and other clandestine operators pass to and fro almost at will.

2. Honduran politics have been unsettled ever since the long-term dictator, General Tiburcio Carias Andino, voluntarily retired in 1948.³⁶ He arranged for an orderly succession under the Nationalist Party label. In 1956, however, a flagrantly rigged election provoked such a popular reaction that the military were moved to throw out the incumbent regime. In 1957 Colonel Oswaldo López emerged as the dominant figure in the military establishment and conducted an election which brought to the presidency Dr. Ramón Villeda Morales, the leader of the Liberal Party, the traditional opponents of the Nationalists.

3. The relationship between President Villeda and Colonel López was not close. The military's independence of the civil power was recognized by the constitution. Because militant Liberals and Communists had collaborated in underground opposition to the Nationalist regime, a number of Communists en-

³⁶ General Carias had dominated the country since 1923.

~~SECRET~~

~~SECRET~~

joyed the patronage and favor of the Liberal government. More disturbing than this, from the point of view of the military, was the development of a Civil Guard as virtually a paramilitary arm of the Liberal Party. Finally the military became convinced that the Liberal candidate for the presidency in the 1963, a sure winner, was determined to subordinate the military to the civil power. They forestalled his election by overthrowing the Villeda government. Several hundred men were killed in the process, most of them members of the Civil Guard, which was abolished. Colonel López made himself chief of state.

4. The only present threat to the stability of the López regime is the dissatisfaction of other military leaders regarding the influence of Ricardo Zúñiga, an opportunist lawyer and longtime close adviser of López. Zúñiga is engaged in organizing a López political machine. The Liberal Party has been seeking to incite a military coup against López. At present, however, López' control of the military establishment seems secure and coup action does not appear to be imminent.

5. [] Colonel López has undertaken to hold an election for a constituent assembly in February 1965, with a presidential election to follow within a few months. He probably contemplates running for president himself, and would be sure to be declared elected if he does run, but military opposition may prevent him from doing so. The Liberal Party would almost certainly win a free election, but will almost certainly be prevented from doing so if its candidate is not acceptable to the military.

Communist Elements

6. The Communist Party of Honduras (PCH) enjoyed a degree of tolerance and even favor under the Liberal regime. It then had about 2,000 members and significant influence in student and labor organizations. The party is now proscribed and persecuted; its principal leaders are in jail or in exile, chiefly in Mexico. Ironically, the anti-Communist measures of the regime have permitted underground leadership to pass to younger, more militant elements. However, only about 250 members of the party are considered to be militant activists.

7. Widespread banditry without political motivation has long existed in rural Honduras. In addition, small guerrilla bands inspired and supported by Cuba have operated fairly freely in Honduras, on the borders of Guatemala and Nicaragua. The objectives of these bands lie in those countries. They have taken care not to forfeit their safe haven in Honduras by provoking the Honduran authorities. Since the 1963 coup some fugitive Liberals have joined these previously existing bands or have formed bands of their own in the same remote areas. There may also have been some infiltration of Honduran Communists returning from guerrilla training in Cuba. Recently there has been a noticeable increase in banditry in northern Honduras. It is as yet impossible to determine whether this banditry is politically motivated and, if so, whether the motivation is Liberal or Communist. The Honduran Government has been reluctant to acknowledge the problem, apparently for fear that publicity would encourage

~~SECRET~~

57

~~SECRET~~

Liberal insurgency. Any increase in rural banditry, however, is subject to Communist exploitation as political insurgency.

8. There are in Honduras no official missions from Communist countries, although the Polish Ambassador in Mexico is also accredited to Honduras.

Communist Strategy

9. Effectively barred from any other activity, the militant underground leadership of the PCH is seeking to foment and organize popular resistance to the López regime as a military dictatorship. Frustrated Liberals, particularly the party youth, are obvious targets for recruitment for this purpose. A resistance organization, the Integrated Liberation Movement, has been formed and is presumably responsible for recent sporadic acts of urban terrorism.

10. Cuba has provided modest clandestine support to the guerrilla bands which operate from Honduras against Guatemala and Nicaragua. There are now indications that the Cubans, in collaboration with the PCH, are seeking to organize a guerrilla resistance in Honduras against the López regime. It is unlikely, however, that a really significant popular resistance to the regime will develop unless and until the Liberals, as a party, despair of regaining power by election or by military coup. In those circumstances, the Liberals would become the predominant element in the resistance, although the Communists could gain influence and future opportunities through association with them.

The Security Forces

11. The Honduran security forces number about 7,450 men, as follows:

Army	4,300
Air Force	550
Special Security Corps	2,600

12. These forces are generally inefficient, lacking both a professional officer corps and good quality enlisted personnel. The exception to this rule is the small Air Force, which is a well-disciplined, well-trained, and efficient elite force. It includes a 330-man security battalion. The newly created, paramilitary Special Security Corps is also under the control of Lt. Colonel Armando Escalón, the chief of the Air Force, who is also Minister of Defense. The Army maintains two battalions at Tegucigalpa, as a means of political control, but is otherwise scattered over the country in small units incapable of concerted action.

13. Despite their shortcomings, these security forces are probably capable of controlling the situation in and near the capital city and other urban centers. They have little control over the countryside and could not cope with a well-organized and well-sustained guerrilla resistance, if such a movement should develop.

~~SECRET~~

~~SECRET~~

ANNEX N

MEXICO

SUMMARY

Mexico is the second most populous country in Latin America (after Brazil), and is one of the most advanced. The political life of the country is dominated by the Institutional Revolutionary Party (PRI), which rules in the name of the continuing Mexican Revolution. The Mexican political process consists of pressure, consultation, and expedient compromise within the inner councils of the PRI. The various Communist organizations tolerated by the PRI function merely as pressure groups, among many others, within this system. They have no immediate revolutionary capabilities or intentions. Moreover, the USSR, Communist China, and Cuba have reason to cultivate the good-will of the Mexican government and are unlikely to risk antagonizing it. Consequently there is no Communist threat to the stability of the Mexican regime. However, the deprivations and dissatisfactions of the rural and urban poor in Mexico do provide the local Communists with a basis for generating pressures upon the Mexican government.

The Basic Situation

1. The population of Mexico, 38 million, is 15 percent white, 55 percent mestizo, and 30 percent Indian. Mexico is the second most populous country in Latin America (after Brazil). It is also one of the most developed, politically, economically, and socially. Nevertheless, much of the rural population continues to live in abject poverty and the growing number of urban slum dwellers receive little benefit from the country's relative prosperity.

2. Mexico had a fundamental social revolution fifty years ago (1910-20). That revolution was liberal, populist, and nationalist in its basic inspiration. It picked up a Marxist vocabulary and a tolerance for Marxist ideas from the vogue of the contemporary Russian Revolution, but its essential Mexican nationalism protected it from going Communist. From the Mexican Revolution there has evolved a "new class" which now dominates the political, economic, and social life of the country, but there is more social mobility than there was in former

~~SECRET~~

59

~~SECRET~~

times and the "new class" feels a greater sense of social responsibility than can be found in traditional Latin American oligarchies.

3. The political life of the country is closely controlled by the Institutional Revolutionary Party (PRI), which rules in the name of the continuing Mexican Revolution. The PRI tolerates the existence of other political parties and pressure groups, so long as they do not really threaten its monopoly of political power. Within the PRI itself there are not only its formally organized constituent elements representing the workers, the peasants, and other people, but also less formal left wing, right wing, and middle-of-the-road groups. Mexican politics operate, not as a public contest between the PRI and other parties, but within the PRI, through internal processes of pressure, consultation, and expedient compromise. Gustavo Díaz Ordaz, the PRI candidate elected to the presidency in July 1964, virtually without opposition, is a moderate, indicating the present ascendancy of that element within the party.

Communist Elements

4. Mexico is very tolerant of Communist activities, up to a point, primarily because communism has not been able to compete effectively with the popular appeal of the indigenous Mexican Revolution. Moreover, in part because of the machinations of the PRI, the Communist movement is divided. There are in Mexico two principal Communist parties⁸⁷ and two important Communist-inspired pressure groups; an agglomeration of unaffiliated but influential Marxists; a considerable colony of Communist exiles from other lands; and a large Communist diplomatic colony.

5. The regular Mexican Communist Party (PCM) has only about 3,000 members largely concentrated in three cities: Mexico, Monterrey, and Torreon. Its potentialities are extremely limited, although it has participated actively in the establishment of the two pressure groups mentioned above (see paras. 8 and 9 below).

6. The Popular Socialist Party (PPS) is the PRI's kept and tame "Marxist-Leninist" party. Not all members are Communists, but the party leaders are. In return for considerable toleration and a modest subsidy, the PPS splits the Communist movement and generally supports the PRI. At the same time it receives Soviet support and is the chosen Soviet instrument for the control of Communist front groups in Mexico. The PPS also controls a minor labor confederation and an increasingly active peasant organization. Its membership has declined in recent years, but still numbers about 38,000.

7. The National Liberation Movement (MLN) is a rabidly anti-US, pro-Cuban pressure group with perhaps 250,000 members. Its patron is former President Lázaro Cárdenas, the now legendary hero of the PRI left wing, but the real

⁸⁷ There are also three minute splinter groups representing as many doctrinal deviations, all tending to violence.

~~SECRET~~

~~SECRET~~

management is provided by the Cuban Embassy, pro-Castro radicals, and PCM officials. These various managers do not always agree amongst themselves.

8. The PCM and MLN have joined in creating the Independent Peasants Central (CCI)—independent of the PRI's peasant organization, that is. The function of the CCI is to foment and exploit peasant resentment of the failure of the government to do more for the relief of rural poverty.

9. In addition to these Communist organizations, there are in Mexico a large number of Marxist intellectuals affiliated with the PRI or without party affiliation. These people lend respectability to Marxist ideas and attitudes and exert significant influence in the government, in the universities, and in professional and cultural circles. There is also in Mexico a large colony of Communist refugees from other lands, notably from Spain and from Guatemala and other Central American countries.

10. The USSR, Czechoslovakia, Poland, Yugoslavia, and Cuba maintain large diplomatic establishments in Mexico City. Communist China is represented by a news agency.

Communist Strategy

11. The USSR, Communist China, and Cuba have each its own reasons to cultivate the Mexican government, and therefore to avoid offending it by sponsoring flagrantly subversive activities against it. The USSR seeks to encourage a nationalistic and "independent" Mexican foreign policy, as a hindrance and provocation to the US and as an example to the rest of Latin America. Communist China seeks Mexican recognition, which would be of particular value as that of a pre-eminent Latin American state. Cuba depends on Mexico to block effective anti-Cuban action by the OAS and to provide a channel of communication with the rest of Latin America. All three are interested in preserving the present utility of Mexico as an important base for Communist espionage, directed principally against the US, and Communist propaganda and subversion, directed against Central America in particular and Latin America in general.

12. Apparently on instructions from Moscow, the PPS collaborates closely with the PRI regime. It carefully avoids having anything to do with the MLN and CCI, which are essentially critical of the government, but otherwise seeks to draw unto itself all nonviolent leftist elements outside of the PRI structure. As an element in the Mexican political system, it carries on, within permissible limits, an anti-capitalist, anti-US agitation in support of the PRI left wing.

13. The PCM is openly critical of the government, as composed of backsliders who have betrayed the Mexican Revolution, but it is careful to avoid overt actions which would end the government's tolerance of its activities. For example, there has been conflict within the MLN between Castroist enthusiasts, probably not under Cuban control, who wanted to launch a violent peasant resistance movement, and experienced Communists who knew better than to do such a thing as that. From the PCM point of view, the function of the CCI

~~SECRET~~

61

~~SECRET~~

is not to foment a peasant rebellion, but to exert pressure on the PRI in support of its left wing.

The Security Forces

14. The Mexican security forces number about 177,000 men, as follows:

Army	55,000
Navy	8,000
Air Force	4,200
Rural Defense Corps (militia)	70,000
Federal District Police	10,000
State Police	20,000
Municipal Police	10,000

15. The Federal District Police are notably experienced and effective in handling civil disturbances, as are the municipal police in Guadalajara and Monterrey. In general, however, the state and municipal police forces are inefficient, Outside of the Federal District, the Army is the real police force.

16. Although the Mexican armed forces are not impressive as a military establishment, the Army has had plenty of practical experience in controlling peasant disturbances, banditry, and the like, and has done so effectively.

17. It took thirty years of careful management to accomplish it, but the Mexican armed forces are now thoroughly subordinate to the civil power—i.e., to the PRI—and responsive to its will. For all the shortcomings of the Mexican security forces in general, there can be no doubt that the Army and the Federal District Police are capable of controlling any disturbances likely to arise.

~~SECRET~~

ANNEX O

NICARAGUA

SUMMARY

Since the departure of the US Marines in 1933, the government of Nicaragua has been closely controlled by the Somoza family, who control the *Guardia Nacional*, the country's only armed force. Constitutional forms have been observed, however, and there is no serious political opposition to the regime. A Cuba-supported guerrilla resistance organization, the FSLN, has made several minor incursions into Nicaragua from neighboring Honduras, but has aroused no popular response and has been effectively dealt with by the *Guardia*. There is no significant Communist threat to the security of the regime.

The Basic Situation

1. Nicaragua is a relatively undeveloped, agricultural country. Only six percent of the land is cultivated. The population, 1.5 million, is 15 percent white, 70 percent mestizo, 5 percent Indian, and 10 percent Negro. About 50 percent of the people are illiterate. The society is dominated by a few economically powerful families, but social tensions are not a significant factor in the situation.

2. Historically, the Liberal and Conservative parties have contended for control of the government, but, since both parties represented the landed gentry, the matter at issue between them was only access to the spoils of office. The US Marines occupied Nicaragua, 1927-33, to quiet the conflict. When they withdrew, they left General Anastasio (Tacho) Somoza, a Liberal, in command of the *Guardia Nacional*, a militarized constabulary, the country's only armed force. Somoza dominated the government from that time on until his assassination in 1956, sometimes occupying the presidency himself, sometimes maintaining others in that office.

3. Although Somoza was actually a military dictator, he generally observed the constitutional proprieties, holding regular presidential and congressional elections. To placate the Conservative opposition, he made a constitutional provision limiting participation in elections to the two traditional parties and guaranteeing to the minority (i.e., the Conservatives) one-third of the congressional seats. This arrangement split the Conservative Party. The majority

~~SECRET~~

63

~~SECRET~~

scorned it, but is now able to express its opposition only by boycotting elections, leaving Conservative representation in the legislature to the cooperating minority.

4. When Somoza was assassinated, his elder son, Luis, inherited the presidency; his younger son, Anastasio (Tachito), continued in command of the *Guardia Nacional*. The Somoza brothers, especially Luis, realized that it was no longer possible to rule the country as their father had. Influenced also by the impact of the revolution in Cuba, they found it expedient to liberalize somewhat the regime. In 1963 René Schick was elected to the presidency. Nevertheless, the real power is still held by the Somoza family through its control of the *Guardia Nacional*.

Communist Elements

5. The Communist party in Nicaragua is called the Nicaraguan Socialist Party (PSN). It has only about 200 members, half of them members of its youth group. It is proscribed, but is able to operate through various front groups. The Somozas, confident of their power, do not regard the Communists as a threat.

6. There is also a clandestine national liberation front (FSLN) directed and supported from Cuba and dedicated to the overthrow of the "Somoza dictatorship." It has made repeated guerrilla incursions into Nicaragua from Honduras, but probably no more than 60 guerrillas were ever involved at any one time.

7. There are in Managua no official missions from Communist countries, but the Polish ambassador resident in Mexico is accredited to Nicaragua.

Communist Strategy

8. The PSN holds that a violent struggle for liberation would be inexpedient in Nicaragua at this time. It proposes to exploit the tolerance of the Somozas to expand its influence through quiet propaganda and further penetrations of the government and of student and labor groups. In its contacts with the FSLN, the PSN has argued against the FSLN's reckless adventurism. Within the PSN, however, there is a faction which advocates revolutionary violence.

9. The Cuban regime bears a special animus against the Somozas. Its creature, the FSLN, is committed to a continuing effort to arouse active resistance to the regime. The FSLN, however, has been singularly unsuccessful in arousing any popular response.

The Guardia Nacional

10. The *Guardia Nacional*, Nicaragua's single security force, numbers 5,900 men, of whom 300 constitute an integrated air force. Its effectiveness in counterinsurgency operations against the minor threat confronting it has been repeatedly demonstrated.

~~SECRET~~

~~SECRET~~

ANNEX P

PANAMA

SUMMARY

Panama is governed by a few wealthy, interrelated families who are largely indifferent to the plight of the impoverished mass of the people. There is rising popular resentment against this oligarchy, which finds it convenient to divert such resentment from itself by supporting nationalistic agitation against the position of the US with respect to the Panama Canal and the Canal Zone. This is a situation made to order for Communist exploitation and the Communists have taken full advantage of it.

Although the Communists have been effective in fomenting nationalistic action against the US, they are few in number and there is dissension among them regarding the timing of revolutionary action against the oligarchy. The Communist Party leaders do not consider the time yet ripe; they would exploit their opportunities for political action pending the development of a mass following. The Communist youth and other pro-Castro elements, however, are impatient with this strategy. They desire to resort to early revolutionary violence and are preparing for it. The security forces can probably control the situation in Panama City and Colon (when not prevented by political direction), but would have very limited capabilities against a well directed guerrilla movement.

The Basic Situation

1. The population of Panama (excluding that of the Canal Zone) is only about 1.1 million—9 percent white, 70 percent mestizo, 14 percent Negro, and 7 percent Indian.⁸⁸ About 70 percent of the people are literate.

2. The economic life of the country is dominated by the US-controlled Panama Canal and activities related to it. A quarter of the population lives in the cities

⁸⁸ These Negroes are descended from laborers brought from British West Indies to work on the construction of the Panama Canal. Many remain primarily English-speaking. The Indians live in primitive tribal communities isolated from the rest of the country.

~~SECRET~~

65

~~SECRET~~

of Panama and Colon, adjacent to the Canal Zone. Elsewhere in the Republic there is very little economic development. Only four percent of the land is cultivated. Nevertheless, half of the people derive their living from agriculture, the large majority of them as landless laborers.

3. The country is still controlled by a few wealthy and interrelated families. Elections have seldom been more than personal contests for power and its perquisites among rival members of this ruling group. The wholesale purchase of votes is customary. The recent election of Marco Robles to the presidency indicates the continuation of oligarchic rule for a while longer.³⁰

4. Nevertheless, there is a rising popular resentment of the oligarchy's indifference toward the plight of the impoverished lower class. The oligarchy has found it convenient to divert such resentment from itself by exciting nationalistic resentment of the position of the US with respect to the Canal and the Canal Zone. Although many specific grievances have been accommodated in recent years, Panamanians generally regard the very existence of the Zone as an affront to national sovereignty and dignity. Moreover, they tend to believe that most of the ills of the country would be relieved if the US could be made to pay a "just" return to Panama for the use of the Canal. Manifestly this is a situation made to order for Communist exploitation—and a very dangerous game for the oligarchy to play.

Communist Elements

5. The Communist Party in Panama, called the Party of the People (PDP), has about 500 members. Its strength is concentrated in the Panama City and Colon urban areas, but it is also active among the banana plantation workers. It controls the university and high school student organizations, and has important influence among press and radio personnel, in professional circles, and in the government. Outlawed in 1953, it cannot present candidates in its own name, but has elected several members to the National Assembly under other party labels.

6. A rival group called the Vanguard of National Action (VAN) was formed in 1961 under Cuban inspiration. It has several hundred members, mostly students and other youths in Panama City and Colon, but has little organizational structure. The PDP tried to bring it under control, but was rebuffed.

7. The USSR is providing financial support to the PDP. Cuba supports both the PDP and VAN, but has favored VAN in the allocation of opportunities for training in Cuba. Over 100 Panamanians from both groups have received such training, about 50 of them specializing in guerrilla and terrorist techniques.

8. The outbreak of the January 1964 anti-US riots surprised the top leaders of both the PDP and VAN, but student leaders from both groups were in the thick of it from the first, and both the PDP and VAN were quick to exploit the

³⁰ Robles was opposed by Arnulfo Arias, a longtime foe of the oligarchy. Robles is to take office in October 1964, for a four-year term.

~~SECRET~~

~~SECRET~~

opportunity, cooperating effectively for the first time. In the midst of the excitement a new organization, the Committee for the Recovery of National Sovereignty (CRNS), was formed to mobilize public opinion against the US and to exert pressure on the government. The PDP soon gained control of that organization.

9. There are no official missions from Communist countries resident in Panama. The Polish ambassador in Mexico is dually accredited.

Communist Strategy

10. The principal immediate objective of the PDP is to incite the Panamanian people against the US and to create as much conflict as possible in US-Panamanian relations. To this end, it strives to keep the Canal issue stirred up. It is willing to incite violence against the Canal Zone, but can sustain such violence only on occasions of emotional popular reaction like that last January.

11. The leaders of the PDP realize that the party's influence in Panama results, not from the appeal of communism *per se*, but from their identification with the nationalist cause. They consider the time not yet ripe to lead the people against the oligarchy—as long as the oligarchy can be made to support the nationalist position. They desire more time to develop a mass following through political action. The party youth, however, are impatient with this strategy; they want an early revolution against the oligarchy. There has been dissension within the party on this account. Castro may be inciting the "Young Turks" to seize control and unite with the VAN.

12. The VAN advocates early violent revolution to overthrow the oligarchy and render untenable the US position in the Canal Zone. It is actively preparing to launch a guerrilla warfare campaign. But within VAN there is dissension between those who think more preparation is required and those who are impatient to start shooting now.

The Security Forces

13. The principal security force in Panama is the National Guard, a paramilitary police organization numbering 3,500 men. Its training and discipline are good. Its failure to act effectively at the onset of the January riots is attributable to political direction. It was effective when it did move. However, its capabilities to cope with a well directed guerrilla operation at any considerable distance from Panama City or Colon are extremely limited. The 200-man Department of National Investigation (DENI), analogous to the FBI, is not a well-trained or self-sufficient organization.

~~SECRET~~

67

~~SECRET~~

ANNEX Q

PARAGUAY

SUMMARY

Paraguay is the least developed country in South America. It is ruled by a long-established military dictatorship, as is customary for it. Few residents of the country dare, or care, to oppose the regime. There are, however, about 500,000 Paraguayans living abroad, most of them for economic reasons, but some in political exile. Many of the latter would like to overthrow the regime. About 4,500 of these are Communists or Communist sympathizers. With Soviet and Cuban support, the Communists have sought to form a united front of all exile groups, but few others will associate with them. Consequently, the Communists have no serious potentialities in Paraguay.

The Basic Situation

1. Paraguay is a primitive, sparsely settled country; only three percent of the land is cultivated. The population, about two million, is 95 percent mestizo, the remainder being either white or Indian. Most of the inhabitants live by primitive subsistence agriculture.

2. Paraguay is ruled by a well established military dictatorship, as is customary in that country. The present dictator is General Alfredo Stroessner, who has been in power for 10 years. Outward constitutional forms are observed, however. General Stroessner was re-elected to the presidency in February 1963, at which time a new Congress was also elected. Since Stroessner took power, Paraguayan elections have been uncontested.⁴⁰ The country is usually under a state of siege (modified martial law). Few people in the country have dared to oppose the regime; probably few care to.

3. To improve appearances, the Stroessner regime has recently undertaken a degree of political liberalization in Paraguay. Two small opposition political

⁴⁰ Stroessner rules in the name of the conservative Colorado Party, which has been traditionally opposed by the equally conservative Liberal Party. In return for token opposition in the 1963 election, a Liberal splinter group, the Revolutionary Directorate of the Liberal Party, was allowed to win one-third of the seats in Congress under the electoral law allotting those seats to the runner-up party. (Cf. a similar provision in Nicaragua.)

~~SECRET~~

~~SECRET~~

parties, a Liberal splinter group and the Febreristas, have been duly registered; some public criticism of the administration is permitted. The regime's most outspoken opponents, however, are among the perhaps 500,000 Paraguayans living in Argentina, Uruguay, and Brazil.⁴¹

4. The principal opposition group is the Popular Colorado Movement (MoPoCo), whose membership includes dissident members of Stroessner's own Colorado Party, both within Paraguay and in exile.⁴² One of its principal leaders, Epifanio Méndez Fleitas, has led several attempts to overthrow the dictatorship since he was dropped from the cabinet in 1955. The most serious threat to the regime so far was an abortive MoPoCo plot in December 1962, which had the support of lower-ranking officers in the Paraguayan military. Since then Argentina, which once resented the asylum afforded Perón by Stroessner, has severely restricted exile activities.

Communist Elements

5. The Paraguayan Communist Party (PCP) is estimated to have about 500 members and sympathizers in Paraguay and about 4,500 in exile, chiefly in Buenos Aires and Montevideo. Those who remain in the country are mostly students. There are also a few Communist-inspired guerrillas operating in remote areas on the Paraguayan-Brazilian border.

6. The PCP has been split by internal dissension related to the Sino-Soviet controversy; the pro-Chinese members were expelled from the party en masse, in 1963. They have formed a rival organization, the Paraguayan Leninist Communist Party (PCLP), which has received Chinese recognition.

7. There is in Paraguay no official mission from any Communist country.

Communist Strategy

8. With Soviet and Cuban support, the PCP has organized in Montevideo a United Front of National Liberation (FULNA). Its purpose is to unite all opposition elements in an effort to overthrow the Stroessner regime. In this it has been completely unsuccessful. Besides Communists, only a few Febreristas have paid any attention to FULNA.

9. Some Paraguayans have received guerrilla warfare training in Cuba. On the completion of their course they have returned to the exile group, not to Paraguay. It is unlikely that any guerrilla operations conducted by FULNA could do more than annoy the Stroessner regime.

⁴¹ Most of these expatriates live abroad because of the lack of economic opportunities in Paraguay, but among them there are a considerable number of political exiles.

⁴² The other opposition groups in exile are the conservative Liberal Party, the small Febrerista Party, and the Communists.

~~SECRET~~

69

~~SECRET~~

The Security Forces

10. The security forces of Paraguay number some 17,500 men, as follows:

Army	9,500
Navy	2,500
Air Force	550
National Police	5,000

The Air Force includes a 300-man infantry support battalion; the National Police, a 500-man special security (counter-guerrilla) battalion. In addition, the Colorado Party maintains a militia force of several thousand men with a considerable anti-guerrilla potential.

11. The security forces are the basis of General Stroessner's power. They enjoy his special favor and are loyal to him. They have demonstrated their ability to control the accessible parts of the country and to defeat armed incursions by the exiles. The police security battalion, in particular, is an effective counter-guerrilla force. The security forces lack the mobility and logistic capabilities required to eliminate the small guerrilla bands which occasionally operate in relatively inaccessible areas on the Brazilian frontier, but can prevent them from reaching any part of the country that matters.

~~SECRET~~

~~SECRET~~

ANNEX R

PERU

SUMMARY

Peru is a poorly integrated country, geographically, ethnically, socially, and politically. Its consequent problems offer many opportunities for Communist agitation. The growth of Communist influence has been blocked, however, by the stronger popular appeal of APRA and, more recently, of *Acción Popular* (AP). But until recently non-Communist remedial action has also been blocked by the bitter hostility of the oligarchy and the military toward APRA. The present administration, that of President Fernando Belaúnde Terry (AP), is the first to make a serious effort to cope with the basic structural problems of the country.

The Communist movement in Peru is small and badly fragmented. The Communist Party has recently split on Sino-Soviet lines. The USSR and the pro-Soviet Communist leaders prefer political action in Peru and expressly desire to avoid violence there, for expedient reasons. The pro-Chinese leaders scorn such Soviet "opportunism," but themselves do not want to precipitate violence at this time. The Castro-inspired MIR is seriously intent on launching an early campaign of urban terrorism, industrial sabotage, peasant land seizures, and guerrilla resistance. It cannot thereby overthrow the government, but it can create a considerable disturbance and perhaps thereby frustrate the government's reform program.

The Basic Situation

1. Peru is a poorly integrated country, geographically, ethnically, socially, and politically. The present administration, that of President Fernando Belaúnde Terry, is the first to make a serious effort to cope with the basic structural problems of the country.

2. Geographically, there are three very different Perus: the narrow, arid, but generally well developed coastal plain; the high Andean Sierra, where a poverty stricken and growing Indian population presses upon the availability of arable land; and the largely unsettled and undeveloped eastern lowlands. Internal

~~SECRET~~

71

~~SECRET~~

communications within and between these areas are meager; the eastern lowlands are almost completely isolated from the rest of the country.

3. Ethnically, the population, about 11 million, is 12 percent white, 33 percent mestizo, 50 percent Indian, and 5 percent Asian, Negro, etc. The Indians speak Quechua and Aymará, and are almost completely isolated from the Spanish-speaking national community.

4. Socially, the country has long been dominated by a few wealthy families. The middle class is small, though growing. Organized labor (15 percent of the labor force) may be counted as a lower middle class group. The bulk of the population is economically dependent, uneducated, ill-housed, and ill-fed. The coastal cities are surrounded by slums inhabited for the most part by recent Indian migrants from the Sierra whose employment opportunities are very limited.

5. Politically, 58 percent of the population are excluded from any part in the political process because they are illiterate. The rule of the oligarchy was first challenged by APRA, essentially a mestizo-labor party founded in 1924 under the inspiration of the Mexican Revolution. In fierce competition with the Communists, APRA gained control of the principal labor and student organizations. It undoubtedly came to represent a plurality of the Peruvian electorate. But, because of sanguinary battles long ago, the oligarchy and the military are determined never to permit APRA to come to power. In 1962 the military intervened to annul an election which APRA apparently had won. Until recently, this ancient bitterness has prevented collaboration between APRA and other reformist elements.

6. In 1963 Belaúnde (*Acción Popular*) was elected to the presidency as a reformist candidate acceptable to the oligarchy, the middle class, the military, and the Communists, because he was also anti-APRA. He failed to gain control of Congress, where APRA remains the largest and most influential party.

7. The most pressing social problem confronting Peru is that of agrarian reform in the Sierra, where the Indians, under Communist instigation, have been seizing and cultivating pasture lands. Rather than repress this movement by armed force, Belaúnde sought to control and direct it through agrarian reform legislation. This legislation was long delayed in Congress, but was finally enacted with the cooperation of APRA. Meanwhile, Congressional and military pressures forced Belaúnde to act more vigorously to restrain Communist instigation of Indian land seizures.

Communist Elements

8. Despite the opportunities for Communist agitation inherent in the Peruvian situation, the growth of Communist influence has usually been blocked by the stronger appeal of APRA and, more recently, of *Acción Popular* (AP). On occasion, however, the Communists have benefitted from the propensity of the oligarchy to use them as a means of combatting APRA. As President, Belaúnde

~~SECRET~~

~~SECRET~~

(who previously had cooperated with the Communists) has not favored them to the extent that they, and others, had expected him to. In alliance with other anti-APRA elements, including AP, they were able to wrest from APRA the control of the principal student organizations; but, since AP student organizations refused to collaborate further with the Communists, APRA has been regaining lost ground. The Communists have not been able to break APRA's control of organized labor. Meanwhile, the Communist movement itself has broken into numerous discordant elements.

9. The Communist Party of Peru (PCP) has only about 9,000 members, approximately the strength it had twenty years ago. The party has now split on Sino-Soviet lines—the pro-Chinese and pro-Soviet leader groups have each excommunicated the other, each claiming to act for the PCP. It remains to be seen how the membership will divide on this issue. The pro-Chinese leaders appear to have the support of the party youth, the peasant organization, and most of the area organizations; the pro-Soviet leaders, the support of the labor elements.

10. There is also a Trotskyist party in Peru, the Worker's Revolutionary Party (POR), with about 1,000 members. Two factions which split off from the POR in 1956 account for 500 more. The POR launched a small guerrilla movement in the Cuzco area, but that collapsed with the capture of its leader, Hugo Blanco, in May 1963.

11. The most dangerous revolutionary organization in Peru is the Movement of the Revolutionary Left (MIR), a group of pro-Castro enthusiasts who split off from APRA in 1959. It now has about 1,000 active members, about half of whom have received guerrilla training in Cuba, China, North Korea, or Algeria.

12. There is in Peru no official mission from any Communist country.

Communist Strategy

13. The USSR and the PCP expected Belaúnde to be more open to the development of inter-governmental relations with Communist countries and to anti-APRA collaboration with the PCP than he has proved to be. Nevertheless, the strategy of the pro-Soviet leaders of the PCP has continued to be to support the Belaúnde government, expecting less of it, but taking advantage of the limited opportunities still allowed them to work to build up a mass following as a basis for future political action. Although the PCP has encouraged Indian land seizures in the Sierra, both the USSR and the pro-Soviet leaders have strongly opposed any resort to violence and bloodshed. The USSR has been particularly concerned lest such violence in Peru adversely affect the political prospects of the Communist Party in Chile.

14. The pro-Chinese leaders of the PCP repudiate, of course, such Soviet "opportunism." They are committed to the Chinese proposition that the revolution can be achieved only by violence. But, while disposed to engage in demonstrations, strikes, and peasant land seizures, they consider that Peru is not

~~SECRET~~

73

~~SECRET~~

yet ready for violent revolution. In particular they have avoided involvement in the MIR's "adventurism."

15. The MIR is seriously intent on launching a campaign of terrorism and guerrilla resistance in the Sierra. The object of such a campaign would seem to be, not the immediate overthrow of the government, but the provocation of such repressive measures as would frustrate the administration's reformist intentions and alienate the people, hastening the day of the eventual revolution.

The Security Forces

16. The Peruvian security forces number 67,300 men, as follows:

Army	33,000
Navy	8,100
Air Force	5,100
Civil Guard	17,600
Republican Guard	3,500

17. The effectiveness of these forces is above average They are generally well trained and a few units have received special counter-insurgency training. Their equipment, however, is heterogeneous and obsolescent. They can undoubtedly maintain general control of the situation, but would have difficulty in coping with a well organized and well sustained guerrilla resistance in the Sierra.

~~SECRET~~

~~SECRET~~

ANNEX S

SURINAM

SUMMARY

Thus far Surinam has been spared the racial and political tensions which characterize British Guiana. The composition of the population is similar to that in British Guiana, however, and increasing racial conflict there could affect it. There has already emerged a small but aggressive leftist group disposed to look to British Guiana for inspiration and leadership.

The Basic Situation

1. The population of Surinam, only about 335,000, is similar in composition to that of British Guiana, though even more complex. About 38 percent are Creoles (descendants of Negro slaves), 31 percent are of British Indian ancestry, 14 percent are of Indonesian origin, 11 percent are Bush Negroes (descendants of runaway slaves "gone native" in the interior), two percent are aboriginal Indians, two percent are Europeans, and two percent are Chinese.

2. Surinam is a largely undeveloped country, but an important source of bauxite. Over half the population lives by subsistence farming. Less than one percent of the land is cultivated.

3. Surinam enjoys complete local autonomy, subject to Dutch control of external relations and defense. The present administration, headed by Minister-President Johan Pengel, is supported by a coalition of three political parties (Creole, Indian, and Indonesian) representing 50 percent of the vote in the 1963 election.⁴³ The policy of the government is pro-Western, as is that of the principal opposition parties.

Communist Elements

4. There is no Communist party in Surinam, but crypto-Communists are active in several front groups and control a minor political party, the Nationalistic Republic Party (PNR), which won nearly four percent of the vote in 1963, but no seat in the legislature. The PNR appeals primarily to students and to the darker, more underprivileged Creoles.

⁴³ They are the (Creole) Surinam National Party (NPS), which won 24 percent of the vote in 1963; the United Hindustani Party (VHP)—17 percent; and the Indonesian Farmers Party (KTPI)—eight percent.

~~SECRET~~

75

This page is intentionally left blank.